Wednesday August 31 1988

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THE KURDS

Turkey bleeds from a concealed wound

World News

Three shot dead in Northern ireland

UK security forces shot dead three men near Omagh, North-ern Ireland, about 10 miles from where eight British sol-diers were killed by an IRA bomb 11 days ago. Unconfirmed reports

suggested that the three men were in a car and had just fired in a lorry driver when troops shot and killed them. This would suggest a carefullyplanned undercover military operation, raising speculation that the shooting was the first visible evidence of extra security in the province to combat IRA violence. RUC urges changes on extradition, Page

US accuses Soviets of violating accord

The US accused the Soviet Union of breaching the Geneva peace accords on Afghanistan by sending bombers from Soviet territory to hit rebel targets near the northern city of Kunduz. Page 4

UK postal strike Britain's postal-workers were

due to start their first national strike for 17 years this morning in protest against the Post Office's imposition of pay sup-plements for new recruits Page 5. Editorial comment, page

Air crash debate

West Germany's air show disaster, which killed 49 people, will be discussed in a spe-cial session of the Federal parliament next week. The question of the continuation of military flying displays remains unsettled. Page 2

East may cut troops Soviet and Hungarian armed forces could cut troop strengths in Hungary if agree-ment were reached in East-West disarmament talks,

according to Hungary's foreign minister. Page 2 Burundi talks

Leaders of Burundi and Rwanda agreed to work for the safe return of 55,000 Burundians who have fled to Rwanda to escape tribal massacres. Refugees say tens of thousands have been killed.

China price freeze China confirmed a planned price freeze for the rest of the

year and warned that the grain harvest could be smaller than in 1987 because of natural disasters. Page 3

Ortega accuses US

Nicaraguan President Daniel Ortega said the US was seeking a pretext for an invasion of his country because US-backed Contra rebels had failed to overthrow the Sandinista Gov-

Turkey, Iraq in talks Turkey discussed with Iraq the tension on their mutual

border as growing numbers of Kurdish refugees cross to escape Iraq's campaign against Kurdish guerrillas. Page 16

Soviet subsidies A Soviet economist attacked price subsidies on basic products as causing shortages, and called for sweeping price rises to produce a more

society. Page 2

(8 %) 3-mth Tressury Bills: yield: 7.57% (7.55) Long Bond: 97 33 (975) yield: 9.36% (9.34)

US drops PLO appeal The Reagan Administration is not to appeal against a court ruling allowing the Palestina Liberation Organisation to maintain its observer mission to the United Nations in New York. Page 3

to be banned. Page 16

boards of both companies had agreed that Nippon would offer \$23.25 for each of Gould's 45m outstanding shares.

HOESCH, West German steel and engineering company, expects profits to show an half, with sales up by 14 per cent to DM4bn (\$2.1bn). Page

GRAND METROPOLITAN'S I£253m (\$364.3m) hostile bid for Irish Distillers has been referred to the Irish Fair Trade

DRESDNER BANK, West Germany's second largest bank, is to buy a 30 per cent stake in BNP-Ak Bankasi, joint venture bank in Turkey between Banque Nationale de Paris and Akbank, leading Turkish bank-

J.C. PRNNEY, third-largest US general retailing group, las based company's stock into the hands of its workers. Page

second largest coal mining company, had its profits wiped out in the year to June and expects cash flow to remain unsatisfactory for several months. Page 20

ELDERS RESOURCES NZFP paid a reported A\$70m (US\$56.8m) to acquire the Sax-onvale steaming coal mine in New South Wales' Hunter Valley from Broken Hill Proprietary. Page 20

BANCO HISPANO Americano Spanish bank, bought 75 per cent of Continental Bank, the Belgian subsidiary of Continental Illinois National Bank of Chicago and said it would inject BFr1.5bn (\$38.5m) into unit once the deal was signed in November. Page 19

TRUST RANK. South Africa's fifth largest bank, increased profits to R57.7m (\$23.9m) against R47.8m. Page 20

RICHARD DENNIS, one of Chi-cago's largest individual futures speculators, said be would leave the business this week and is expected to go into politics full-time. Page 18

US SHOE, speciality clothing and footwear businesses reported a deficit for the three months ended July 30 of \$9.4m after a \$3.1m charge, mainly for closing six stores. Page 18

TORRAS HOSTENCH, Spanish paper group controlled by the Kuwait Investment Office,

MORGAN Stanley Interna-tional transferred its Swiss

Business Summary

Brazil acts to curb foreign mining companies

BRAZIL is to prevent foreign mining companies from taking majority shareholdings in any exploration, extraction or refining operations on its territory. New risk contracts for oil exploration companies are also

NIPPON MINING of Japan is to acquire Gould, a US defence and medical electronics group, for \$1.1bn. Gould said the

increase this year after a strong performance in the first

VOLVO, Swedish motor, energy and food group, saw profits drop to SKr3.80bn in the first half compared with SKr4.28m in the same period in 1987, as a result of currency factors and a three week nationwide strike by white-col-lar workers. Page 17

Commission but the bid will not lapse as a result. Page 17

ing group. Page 19

announced creation of a leveraged employee stock owner-ship plan, or Esop, which will put about 9 per cent of the Dal-

NS-NATAL South Africa's

reported an 18 per cent increase in first half profits.

franc warrant and convertible bond trading team to Zurich

Calls Italy irresponsible

By Richard Donkin and Joel Kibaz

THE British Government last night said there was no ques-tion of the 2,100 tonnes of toxic waste on board the ship Karin
B - now lying off the southwestern coastal port of Plymouth - being allowed to land
in Britain under present laws.
Mrs. Virginia Bottonley,
lumica Englishment Minister. Junior Environment Minister, said that this was because the composition of the cargo was not known, no harbourmaster would allow it to land and it would not be possible to direct it to a site licensed to deal with

Mrs Bottomley said the Italian Government was guilty of "the height of irresponsibility" by allowing the ship to sail without an established destina-

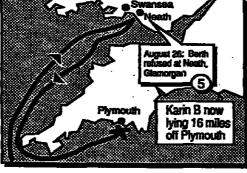
She summoned Mr Boris Biancheri, the Italian Ambas-sador, to a meeting and said later she had "left him in no doubt about the concern we feel about this ship."

The waste is en route for

treatment from the port of Koko in Nigeria near where it had been illegally dumped ear-lier this year. Mrs Bottomley's statement was issued as it became apparent a further consignment of the dumped waste had left Koko earlier this

month in a second ship.

The minister's action increased the reluctance of British waste companies to deal with the consignment under the spotlight of publicity — in effect closing the door to the waste landing in Britain. The Italian Government, however, hinted that it was still hopeful that a British company would accept the shipment. A spokesman for the Italian Min-istry of Civil Protection said





Virginia Bottomley: accusation

"not definitive." Speaking on BBC radio, Mrs Bottomley said the ship was "an Italian problem and for them to deal with.

The present situation is extremely unsatisfactory... It was for the Italians to establish a port of call before it set sail.
"What is the height of irresponsibility is to set it out on to the high seas without hav-ing firmly established a loca-tion for it to reach."

She said she had drawn the ambassador's attention to a standing ruling by the Organisation for Economic Co-opera-tion and Development that the

originating country must retain responsibility for waste which could not be disposed of properly.
The Italians believe that if

Cadiz but is

told to leave

Karin B moves

papers can be provided show-ing the content of the consignment, there is no reason why a British waste company could not handle it. The consensus in the UK waste disposal industry yesterday, however, was that the ship was becoming too much of a political hot potato inspite of a likely price tag of between £2m and £4m (\$3.4m-\$6.8m) for dealing with its

cargo. The Italian Embassy said

last night that the ship would be asked to move away from her anchorage 15 miles off Plymouth but it was not clear where she would go. Some of Europe's most effective toxic waste incineration plant is sited at Rotterdam, but if Holland is not prepared to take the waste the ship may be forced to cross the Atlantic in search of the highly developed plant available in the US. As speculation mounted

Toxic waste sent

Nigerian

authorities find

dangerous, ship

waste to be highly

about the Karin B's future des tination, conflicting reports emerged about the strength of the toxins on board. The Ital-Continued on Page 16

Eastern Airlines redundancies blocked by court

A US Federal court yesterday confirmed a ban on Eastern Airlines' planned dismissal of thousands of employees in a pathbreaking legal ruling which was immediately characterised by Eastern as an attack on "the very essence" of US airline deregulation.

The long-awaited decision, handed down in Washington by Federal District Judge Barrington Parker, required the financially beleaguered Eastern to continue employing 4,000 workers it planned to make redundant in a major cutback of its operations which was due to be implemented this week. In a significant concession to Eastern, however, the judge did not require the airline to reinstate the many services, centred on its Kansas City hub, which it had already dropped from its schedules.

The ruling was therefore less financially crippling to the air-line than had been feared by some analysts. There had been widespread suggestions on Wall Street that Eastern might seek bankruptcy protection if it was forced to operate virtu-ally empty aircraft on dozens of routes for which it had ceased to take bookings a month ago. Instead, Eastern yesterday denounced Judge Parker's ruling as an "unprecedented and fundamental mis-reading" of the US labour laws and said it would file a petition for an emergency hearing before the US Court of Appeals.
The essence of Judge Par-

ker's ruling was to require Eastern to return to the bargaining table to negotiate with its unions over the proposed redundancies. The judge's deci-

sion was based on the Railway Labor Act, a 1920s statute which was originally designed to protect railroad and other transport companies against strikes. Ironically, in the present era of transport deregula-tion, unions rather than employers have increasingly been turning for protection to the Railway Labor Act.

The Act requires that both sides preserve the status quo in their relations, seek Federal mediation and observe cooling off periods, in order to avoid strikes and other industrial disputes. Judge Parker upheld the airline unions' argument that Eastern's decision to close its Kansas City hub and make redundant 4,000 employees while it was in the midst of contract negotiations amounted to a breach of the

Eastern said yesterday that the decision was "gravely wrong", and noted that its case against the unions had been formally backed by most of the nation's other major airlines. Analysts noted, however, that Judge Parker was one of the most senior and prominent members of the Federal district bench in Washington and that his interpretation of the Rail-way Labor Act will not readily be overturned on appeal.

Judge Parker, 72, has presided over numerous cele-brated cases. In 1979 he over-ruled the Carter Administration's attempts to give legal power to its volun-tary wage-price guidelines. And in 1974 he ruled against the Nixon Administration's price controls on the grounds that they were "arbitrary and

Brussels plans increase in airline competition

By Lynton McLain in London

THE EUROPEAN Commission told a Financial Times conferis planning further proposals to increase airline competition.

The list of airports excluded In addition it is hoping to accelerate plans to create some form of control at the

European level over airline mergers," Mr Peter Sutherland, the European Commissioner in charge of competition policy, said in London yesterday. Capacity quotas, where airlines flying the same route are subject to an agreement on what proportion of the total

seats on the route each should supply, should be reduced as much as possible and "perhaps even abolished completely," he

from Commission provisions introduced in December for liberalised regional air services "must be substantially

reduced," he added.

Under those provisions any airline licensed to operate a route by its home government may not be refused a licence by the destination country. The provisions applied to all the main cities in the Community and selected regional des-

Continued on Page 16

Walesa agrees to meet Polish leaders

MR Lech Walesa, leader of Solidarity's announcement Poland's bassed Solidarity came as strikes continued in trade union, is to hold talks the Baltic cities of Gdansk and today with Gen Cosslaw Riesz-ciak the Interior Minister a ish Salowa Wola engineering Solidarity adviser said last

Mr Tadeusz Mazowiecki said Mr Walesa would meet Gen Kiszczak and a representative of the Roman Catholic church in Warsaw. It would be Mr Walesa's first meeting with Poland's Communist rulers since they imposed martial law in 1981 and outlawed the independent trade union.

There was no official confirmation of the meeting last

SHARP FALLS in the US index

of leading indicators and in manufacturing orders have

confirmed recent hopes that

the US economy is not yet overheating. The leading indi-cators are seen as a key barom-

eter of future economic activ-

ity.

The figures partly reverse

very steep increases in June. The leading indicators index had climbed 1.4 per cent in

June, the largest monthly increase since December 1986.

Similarly, factory orders had climbed a revised 5.4 per cent

However, a further 0.7 per cent rise in unfilled orders, sustaining a strong trend which has now persisted for 16 months, showed the underly-

ng strength of the economy.

Financial markets, which had expected today's figures to return to trend, showed no reaction. US unemployment figures, due to be released on Friday, are regarded as the most significant inflation indicator.

works, and at the Manifest Lipcowy colliery in Silesia, the only pit still holding out among those which started the

present strike wave. Earlier yesterday the Government offered to involve Mr Walesa in round-table talks about the present labour unrest. However, the offer was conditional on an end to the stoppage at the Gdansk Lenin shipyard.

The planned meeting with Gen Kiszczak, a close adviser

Key US economic index falls

1987

was the most important factor leading to the 0.8 per cent fall in the composite index of lead-

ing indicators in July, and the

bond market will be auxious to

know if this change in trend, halting a steady tightening of the labour market over the

past year, is confirmed on Friday.

The fall in manufacturing

orders, down 3.5 per cent in July after a 5.4 per cent increase in June, is the second

% morithly change

US Leading Indicators

of Polish leader Gen Wojciech Jaruzelski was believed to be part of preliminary discussions leading up to these fully-

Mr Jerzy Urban, the govern-ment spokesman, said: "The end of strike action by Lech Walesa and the shipyard where he works would automatically mean the establishment of a round table."

However, Mr Urban implied that the Government was still against permitting a formal return by Solidarity to the shop floor and suggested that the official OPZZ unions would also take part in the round-ta-

most important factor.

The violent discontinuity in

manufacturing orders has been

caused almost entirely by the

A partial embargo on new

orders in the spring, caused by corruption investigations and budget reviews, was removed in June, releasing a backlog which raised orders for defence

goods by nearly 70 per cent over the May figures. In July defence orders fell back by 46.6

per cent to a more normal

fallen from the very high levels seen earlier in the summer,

and aircraft orders, always

volatile series, also fell. Orders for industrial capital

goods repeated the record high

The general strength of the

Orders rose by 1 per cent

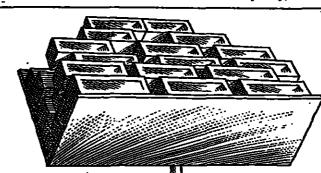
Automotive orders have also

Pentagon.

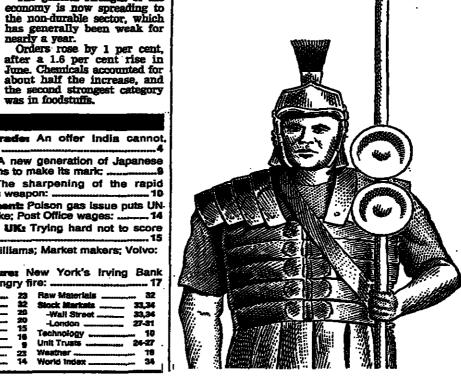
Shortly after Mr Urban's offer, Mr Walesa left the Lenin' yard and held confidential talks with Bishop Tadeusz Coclowed of Gdanek Mr Walesa esa later brushed off reporters questions as he arrived at his home in Gdansk. "Everything is possible," he said before dis Official statements, both in

public and in private, continue to suggest that the authorities remain intent on drawing opposition leaders into official structures while refusing to recognise Solidarity as a trade

Mr Walesa has said that he is ready for talks at any time.



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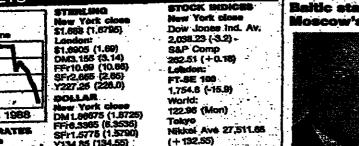
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NHE P	TER BORO	VGH EFFEGI
IT'S BEEN W	-	FOR CENTURIES

from London. Page 20 STOCK BEDICES



Baltic states become testbed for Moscow's regional policy Mikhail Gorbachev, the Soviet leader, is acutely aware that any concessions granted to Estonia, Latvia and Lithuania on greater autonomy from

Moscow may prompt similar claims from the 12 other Soviet republics

Indo-Soviet Trade: An offer India cannot, Managements A new generation of Japanese executives begins to make its mark: Technology: The sharpening of the rapid access business weapon: **Editorial comment:** Poison gas issue puts UN credibility at stake; Post Office wages: Football in the UK: Trying hard not to score an own goal: ... Lex Markets; Williams; Market makers; Volvo:

nearly a year.

was in foodstuffs.

BCI's bid fallure: New York's Irving Bank attair lights an angry fire: . 33,34 33,34 27-31 -Wall Street

A small rise in new claims for state unemployment benefit CONTENTS

Companies ... Vorid Trade

Editorial Co.

MARKETS New York close DM 1.86675 (1.8725 FF76.3365 (8.3536) SF71.5775 (1.5790) Y134.85 (134.55) Aug 1988 INTEREST RATES US imposition Foderal Funds Siz

CLOC

Lenson: DM1.8665 (1.6585) FF16.325 (6.3075) SF(1.576 (1.6685) Y134.4 (133.7) (465.8 (+15.2) Brent 15-day (Argus) \$14,545 (-0.015) New York close West Tax Crude \$15,275 (same)





Nonpluseed: Gaullist Alain Juppe (left) is embarrassed and Valery Giscard d'Estaing evasive about the referendum

Gaullists lost for a response to referendum plan

By ian Davidson in Paris

THE disarray among France's right-wing and centre-right parties in their attempt to co-ordinate their attitudes to the new socialist government of Mr Michel Rocard deepened this mask with a rattle of example.

Yesterday spokesmen for the two main conservative bodies, the RPR neo-Gaullist party and the UDF centre-right umbrella grouping, both criticised the government's decision to choose a referendum to determine the new arrangements for the administration of New Caledonia.

By contrast, several leading By contrast, several leading centrist politicians, starting with Mrs Simone Veil, a former minister under President Giscard d'Estaing, and Mr Bernard Stasi, vice-president of the centrist CDS party, both came out in support of the agreement and called on the voters for a large Yes vote on November 6.

voters for a large Yes vote on November 6.

The Gaullists and the UDF have not called on their supporters to vote No, however, nor even to abstain; they are so embarrassed by the choice that they do not know what to recommend. In the words of Mr Alsin Junne, new general sec-Alain Juppe, new general sec-retary of the Gaullist RPR dent and leader of the UDF, party, the referendum is a trap in which the moderate opposi-

Gaullists approved of the New Caledonia agreement, which the Rocard government has just negotiated with leaders of the communities in the French committing himself on either the form or the substance.

Pacific territory.

But he argued that a draft law with around 100 articles was entirely unsuitable for a referendum, and he called instead for it to be passed by parliament, if possible with the unanimous support of all the political groups in the National

Not all the leading Ganllist September.

politicians share Mr Juppe's approval of the terms of the New Caledonia agreement. Mr Jacques Baumel, one of the old-style barons of the move-Mr Michel Bocard deepened this week with a rattle of conflicting comments on the government's proposal to hold a referendum on its plans for New Caledonia.

Balladur, former Finance Minister and one of the closest advisers of Mr Jacques Chirac, has cautiously declined to take a position until he sees the text of the agreement.

of the agreement.

Mr Juppe yesterday disarmingly admitted the real nature of the Gaullist embarrasament: a large Yes vote would give a psychological boost to the Rocard government, which does not command a reliable majority in the National Assembly; a large No vote would be taken as a boost for Mr Jean-Marie Le Pen, leader of the extreme right-wing National Front, who is the only prominent politician to have immediately condemned the New Caledonia plan; and a New Caledonia plan; and a large abstention rate would undermine the status of an agreement of which the Gauli-

Yesterday the referendum plan was also criticised by Mr Alain Lamassoure, spokesman for the UDF grouping, who described it as a mistaken

ists approve.

was much more evasive. Speaking to a summer school of Young Giscardian should be neces-aledonia agreement, which sary to see that the procedure

the form or the substance. The disarray among the opposition groups over the ref-erendum is likely to last for at least another month. The one point on which they already agree, is that they will work their next joint meeting is not due to be held until the end of

Hungary seen as model for disarmament moves

THE SOVIET and Hungarian their troop strengths in Hungary if agreement were reached in future East-West disarmament talks, according to Mr Peter Varkonyi, Buda-pest's Foreign Minister, Reuter

Speaking in Rudanest to a conference on European conventional disarmament, he said troop reductions in Europe could become a model for simi-lar measures worldwide, the official MTI news agency

We hold that Hungary, due to its geographical location and political situation, would be an appropriate site for testing disarmament measures that could later be applied to the whole continent," Mr Varkonyi said. "These measures could refer to both the Hungarian people's army and the foreign forces stationed in our territory." According to Western esti-

gary within the framework of Warsaw Paci The US State Department said last month it thought Moscow might aunounce a uniin Hungary, but Budapest offi-cials have said such cuts would take place only within a broader context of East-West

Bastern and Western delegates resumed negotiations in Vienna this week at the Con-ference on Security and Co-operation in Europe, hoping to conclude a final document and East-West talks on conven-

tional arms reduction. Mr Varkonyi said balance and reductions of conventional forces should not be viewed from a purely military angle.
"We need a concept which integrates disarmament together with the enforcement of ecoman are entorement of eco-nomic, political, cultural and human rights issues into a sys-tem of international relations," he said.

Polish reform plans founder on public discontent

Few people in the country display any confidence in the economy's future, writes Leslie Colitt

R MIKHAIL GORBACHEV'S vision of an alliance of eco-IV I nomic reformers encompassing the Soviet Union, Poland and Hungary has been dealt a severe blow by the wave of strikes in Poland this

The labour unrest, however, is only the tip of an loeberg of economic and political discontent, which has effec-tively torpedoed Polish leaders' plans

Ironically, the strikes erupted only a month after Mr Gorbachev's visit to Poland and his blanket endorsement Poland and his blanket endorsement of the country's economic reform programme. Some Polish officials suggest darkly that the opponents of Mr Gorbachev's perestroika and glasnost in Moscow stand to gain the most from the present turncoll in Poland.

Even without work stoppages, though, Poles are displaying by their actions a total lack of confidence in the future of their economy.

An inflation rate of 50 per cent this year, as a result of sharp price rises

year, as a result of sharp price rises last February and strike induced wage increases, has led to a flight into material possessions. Stores selling silver and gold have been virtually

emptied by Poles in search of infla-tion-proof goods. Home-owners are interested in selling their houses only for dollars and even the buyers of the tiny new model Polski Fiat 126 are forced to pay the state \$2,000 in hard currency for the car. Spare parts are virtually unob-tainable for zlotys and even private Polish farmers are hawking their unrationed meat in the cities for dol-

Private operators profit from the soaring black market currency rate of 21 2,000 to the dollar by buying up goods for zlotys and illegally export-ing them to the West for hard currency. The lucrative market for Polish handicrafts is increasingly in the hands of privateers, who channel them to West Germany.

While bemoaning such practices, the Government sells dollar coupons

the Government sells dollar coupons for use at the hard-currency Pewer shops at the black market rate for ziotys. A member of the central committee complained bitterly at a plenary session last weekend that toilet paper was available only in the Pewer chain.

Poles who emigrated to the US and

meagre social security cheques are now suddenly wealthy. One hundred dollars unofficially exchanged into slotys results in Zl 200,000, or four times the average monthly wage of the Polish worker. Central committee members

returned to Poland to live off their

directed massive criticism at the hefty price rises which triggered the first wave of strikes last April and May. Demands were made that those nomi-nally responsible for economic policy — the Government, headed by Mr. Zhigniew Messner, the Prime Minister

- be called to account.

Professor Wladyslaw Baka, the recently appointed reformist central committee secretary for the economy, delivered a withering assessment of the reforms until now, and said entrepreneurship was desperately needed

throughout the economy.

In fact, small-scale private entrepreneurship is booming in Poland, as citizens with skills and capital set up production facilities employing up to 50 people. Nearly 1.2m Poles now work in the non-agricultural private sector, and the number is increby 9 per cent annually.

All too frequently, though, they are out to make quick profits by catering to the well-to-do, or by providing baubles and bangles for women instead of the thousands of staple items which state industry is unable to provide in

adequate supply or quality.

One private company specialises in producing satellite television antennae to receive programmes from western Europe. Placed on the roof of conferring with the dishes over the histogram. one's villa, the dishes are the ultimate sign of having made it in Poland.

he first stage of the economic reform which began in 1982 was designed to force Polish companies to become competitive. But it falled because of the ease with which companies could satisfy the base demend for goods As long as a huge demand for goods. As long as a market imbalance continues to exist, Polish economics officials see little prospect the Government will be able to implement further reforms.

Mr Erwin Pitchcinski, the personal adviser to Mr Zdziaław Sadowski, the Deputy Prime Minister for Economic Reform, said in an interview last week that the economic reforms intro-

duced so far would have failed "even without the strikes." Strong opposition existed among workers to the introduction of greater wage differentiation. The pressign need to appoint company managers without the approval of the party remained "very controversial."

On Proversial. Dr Andrzey Wernik, head of the Financial Policies Department of the Finance Ministry, was also pessimistic about the Government's ability to carry out structural changes in industry. There was no alternative to the try. There was no alternative to the carry our structural tradegraph try. There was no alternative to the powerful coal industry, which, however costly in subsidies, was the nation's largest hard currency earner. There were also no plans to shrink the energy intensive steel industry, as it could barely satisfy current demand. The coal, steel and engineering sectors are regarded as the main opponents of industrial reform. Both men agreed that the only way out of the present economic impasse was through a dialogue between the Government and the opposition, which might convince the dispirited population that the inevitable social costs of a wider-ranging economic

costs of a wider-ranging economic reform were worthwhile.

Soviet call

for higher

By John Lloyd in Moscow

prices

Bonn opposition party in

confident mood By David Goodhart

in Münster

MR HANS-JOCHEN Vogel, chairman of West Germany's opposition Social Democratic opposition Social Democratic Party (SPD), yesterday opened his party's bi-annual party con-ference boosted by opinion polls which put the SPD well ahead of the ruling Christian Democrats (CDU) and Chris-tian Social Union (CSU).

The latest polls give the SPD 43 to 47 per cent of the popular vote compared to only 35 to 40 per cent for the CDU and CSU. Mr Vogel was in confident mood as he poured scorn on the economic record of Chan-cellor Helmut Kohl's coalition Government and sketched out the SPD's priorities for the two years before the 1990 election. But he warned the 440 dele-gates against over confidence and against speculation over new alliances with the Free Democrats, the junior party and lynchpin in the Bonn coali-tion, or the internally divided

He also implicitly admitted that the SPD, which won only 37 per cent of the vote in the 1987 elections, continues to suf-fer a credibility problem.

"The coalition clearly has no proper direction people know this already. But we must still persuade people that we can achieve what they have failed

Mr Vogel pointed out that West German unemployment is now half a million higher than when the SPD left power in 1982 at the height of the world rece In addition, West Germany had the highest public debt in its history, the lowest public

investment since 1963, and the proportion of national income going to wages and salaries had fallen from 66 per cent in 1982 to 57 per cent last year. The SPD's main problem, which it hopes to begin resolv-ing at this conference, is lack of clarity and confidence in economic policy. The party was conducting its economic debate with a new self disci-

By Halg Simonian in Frankfurt

WEST GERMANY'S Defence

Minister, Mr Rupert Scholz, has moved quickly to prevent

differences over Sunday's disaster at the US air base at

Ramstein which has now

claimed 47 lives, from becoming a serious cause of friction between the West German

authorities and the allied mili-

tary. The disaster is to be dis-

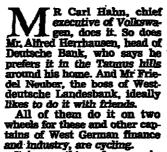
cussed in a special session by the defence committee of the

Bundestag (Federal Parlia-

The vexed issue of the Nazi-

ment) next w

Pedal fury hits West Germany Bicycle hubris is upsetting pedestrians, says Haig Simonian



and industry, are cycling.

It is something of a craze in a country already obsessed by health and the need to keep fit. Staying in shape in Germany is not just a way of keeping the body beautiful — a timely con-cern for the millions of Ger-mans currently lying on the beaches of Spain, Greece and further afield. Exercise is also a way of overcoming the nation's favourite ail-ment - "Kreisland" - or circu-

lation.
No office worth its salt is rithout its quota of had circulation sufferers, whose most palpable symptom is usually no more than a general feeling

But with more than 35m bicycles around more than one for every two Ger-mans — and sales of almost 3.6m last year alone, the cycling craze is causing problems. Mr Kurt Krauss, a spokesman for the Frankfurt police, talks of a "general lack of discipline" among riders. By contrast, members of the two-wheel lobby are pressing for further action to encourage people to

West Germany's wealthy cities have long recognised the potential environmental benefits of the cycling boom. Many have spent laviably on special cycle lanes alongside main roads. Munich alone has coughed up some DM20n (\$10.7m) for its bicycle lanes. Best of all, big riverside cities such as Hamburg, Munich. Düsseldorf and Frankfurt all offer pleasant waterside paths for cyclists and pedestrians

the long term remains unset-tied amid signs of conflicting opinion between the Bonn Gov-

Mr Scholz has hanned aero

batic displays and has also

suspended all military flying displays in conjunction with the Allied air forces "until

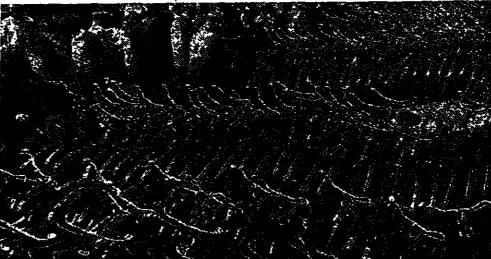
such time as decisions can be

reached on how the prepared-ness and capabilities of the air forces can be shown convinc-

ingly to our citizens."

Both the Bonn Government

ernment and the allies.



Bicycles in Bremen: part of a passion to improve the body beautiful

But it is in mixing the two despite its proponents, cycling in Germany has its drawbacks — notably for those who prefer to keep both feet on the

Ignoring traffic regulations by going down one-way streets, cutting through junctions or across red lights is a cycless prerogative the world over, and even the generally law-abiding Germans seem urable to resist the temptation. Accidents are common. Some 819 cyclists were killed in 1986, a 6.4 per cent increase on the previous year. At least 727 of deaths were caused by accidents with motor vehicles, according to the Bicycle and Motorbike Industry Federation And there were almost 17,000serious injuries. Even the value of the much-vaunted cycle lane is now being questioned by some traffic plan-

ners, who argue it may contribute to accidents by encouraging segregated road users to be careless. But what tends to distin-guish German cyclists from

have faced heavy criticism for

not banning military airshows earlier. The disaster has also become a focal point for critics

of low-level military flying in

However, the issue has focused attention on the fact

that Bonn still does not have

complete control over West

German airspace. Thus Mr Bernhard Vogel, the Rhineland

Palatinate's prime minister, said on Monday that he had already reduced the number of

airshows in the state from six

general.

Bonn heads off air crash row with allies

their air of moral superiority. In a country in which many
– especially the young – affect an air of disdain for material foundations of the countries.

has for some become an expression of the free spirit.

Some German cyclists' can become laws unto themselves, with a stridentity left-wing rollitical measures. political message to boot. According to one club, cyclists are a "disadvantaged" group, which has to "fight" for its share of the road.

Breaking the radio aerials off inconveniently parked cars, or deliberately scratching other-wise offending vehicles are just two examples of their freeheeling zeal. Yet the crusade of some

environmentally self-righteous riders is not always reserved for manimate objects. For in cycle lanes exist, many cyclists take to the pavement and it is unusual for a cyclist to dis-mount, say, to give a pedes-trian the right of way at a spot Where a path narrows. Cases of pedestrians being hit by cyclists on the pave

about through negotiations with the alies.

In a television interview on Monday night, Mr Richard Burt, the US ambassador, indi-cated that the question of returning control of certain

parts of West German sirspace to the domestic authorities

could now be an issue for dis-cussion following the Ramstein

Demmark has ordered fix

air force not to take part in

flying displays before civilian speciators until the end of the

Sometimes the stand-off between walker and rider almost resembles the battle of wills seen in the fast lanes of German motorways. After all, an aggressive cyclist is just as likely to be an aggressive

Ironically, the attitude of many German cyclists towards pedestrians precisely reflects objectionable among motorists But the attitude of some cycling clubs does little to en age mutual understanding One group wrote to its mem-bers complaining of "antiquat-ed" traffic laws and advising

them to seek alternative methods. The authorities believe better road education for cyclists is part of the answer.

But eliminating the holier-than-thou attitude of some German riders is another matter. Even in such an environmentally-conscious country as Germany, plain walking seems to have taken second place to the love of machines with wheels - whether two or four.

Court orders

Gerling arrest A COLOGNE court yesterday issued a warrant for the arrest of the head of a West German insurance company accused of tax evasion over donations to political parties, Reuter reports. It was issued after Mr Hans Gerling, chairman of Gerling Konzern Versicher-ungs Aktiengesellschaften, failed to appear for court pro-ceedings. He is in a Swiss sanatorium with a heart complaint. Mr Gerling is alleged to have evaded tax payments of DM600,000 (£190,000) by making

donations to charitable founds tions linked to conservative

question of whether military flying displays will continue in the Rhineland Palatinate, where Ramstein is located, a year to one. He emphasised that the change had come Soviet troops stationed in Hunpolitical parties. Baltic states a testbed for Moscow's nationalist policy

Twelve other Soviet republics are following closely events in Estonia, Latvia and Lithuania, writes John Lloyd

THE PEOPLES of Estonia, Latvia and Lithuania together account for less than 3 per cent of the Soviet Union's 280m citi- but they are receiving a lot of high-level attention.

Mr Mikhail Gorbachev and Mr Nikolai Ryzhkov, the Soviet Prime Minister, both found time for lengthy conversations with Estonian leaders. And Mr Georgy Arbatov, director of the prestigious USA and Canada Institute, made the journey to Riga, in Latvia, to talk to First Secretary Boris Pugo about expanding the republic's external economic contacts.

The Baltic republics are using the greater openness in Soviet public life, and the restructuring of the economy, to put solidly on the political map their desire for at least greater autonomy from Moscow.

What has developed is a careful, touchy dialogue between the republics and Moscow on the terms under which they will attain that. It is important for the three

republics, of course. But over their shoulders are the 12 other union republics, all of which, in one degree or another, have manifested a certain nationalist restlesaness in recent times. How Moscow treats the Balts is critically important for the framework of nationalist policy for years ahead.

So far, the treatment is largely velvety. Large demon-strations in the three state cap-The reason is easily found. Itals last week - including spin-off rallies which appeared to lack official authorisation were lightly policed, with no reported arrests, in spite of calls for a complete break from Moscow and the establishment of wholly independent states.

Soviet pact, under a secret protocol of which the states were incorporated into the Soviet Union during the war, has been treated in a rather shame-faced way by Moscow - with commentators using the line that at least it was better than the Nazis taking over (that was, certainly, the real choice). Perhaps more importantly in

the long run, the central authorities have so far acqui-esced in the establishment of movements which have a clearly political aim, which intend to put forward candidates for the republican soviets and which are sharply critical of Moscow. It is never so stated in press or other commentaries, but in these movements are the potential germs of sepa-rate political parties. The most public is the Esto-

nian Popular Front. Its full

name, the Popular Front for the Support of Perestroika, gives it a legitimacy and, indeed, defines its aims. These are to push for a substantial amount of republican eco-nomic autonomy, within the framework of the Soviet Union. Mr Edgar Savisaar, an economist who is one of the Popular Front's leaders, is a fierce critic of centralised economic policies and has reportedly been offered the job of deputy

minister charged with the task

of carrying through self-gov-

The front's manifesto, which owes a good deal to Mr Savisaar's drafting, openly regrets the loss of statehood (briefly enjoyed before the war), sees Soviet perestroika as allowing decentralisation which would be "the only restistic alterna-tive to national pessimism," and warns, guardedly, that

were perestroika to fail, that-"would force us to look for other possibilities in defence of the Estonian land and people. The Estonian Communist Party, which clearly has its qualms about the front, has nevertheless nevertheless gingerly embraced it. Mr Indrek Toome, head of ideology in the republican party, told Pravda yester-day that "we have to co-operate with the Popular Front" though the newspaper warned of the presence of demagogues and anti-socialists in its ranks. But that has a cost: in Estonia, as in Latvia and to a lesser extent in Lithuania, there is a substantial minority of Russians, who have moved to the Baltic countries since the war. The Pravda article paints a picture of the Esto-nians and Russians living in virtual apartheid – the former having moved out or the hig

state run companies into local enterprises, the latter not bothering to learn, or to teach their children, the formidably diffiman language.

The newspaper quoted a Russian engineer as saying that almost all facilities, including schooling, were separate, and that mixing simply did not happen. The Russians fear any change will be the worse for them, and have formed a movement called the International Front to speak for their interests.

In particular, they fear that the proposed establishment of Estonian citizenship (for which five years' residence is required), and making the Estonian language official, will discriminate against them and their children.

In Latvia, where Russians make up a third of the population, a Battic-Siavonic society

similar concerns, and the aim of "mending bridges of mutual respect between Latvians and

An Estonian green movement has begun. Its chairman television journalist Mr Yukhan Asrye, said the group would put forward candidates to the local soviets on a platform of opposing centralised industrial decisions which ruin the environment. These states are among the

wealthiest and most advanced areas of the Soviet Union: their peoples seam unlikely to be fobbed off, and have clearly retained a substantial national eling and culture, as well as a living language. Moscow's treatment of this national problem is a delicate and

A SENIOR Soviet economist has sharply attacked price subsidies on basic products as causing shortages, and called for sweeping price rises to pro-

duce a more egalitarian society.

Professor Josif Kotiyar, a
Gorky economist, writing in
the paper Socialist Industry
yesterday, says that "no other
way exists" of increasing the
supply of goods now in short
supply – such as meat, milk,
sansage and cheese – than
allowing their prices to rise to
near a market level.

He echoes other calls to the
authorities made recently to

authorities made recently to

authorities made recently to see in the queues, in rationing and in the huge black and grey-markets proof that the subst-dies system is not addressing its ostensible aim of ensuring cheap staples for all. Price reform is on the agenda of perestroika, or restructuring, which Mr Mik-hall Gorbachev has set, proba-bly timed for next year.

But the leadership is known to view it as one of the most difficult reforms it has yet to undertake.

There is widespread public four that higher prices will not be accompanied by a greater availability of goods — a situation which the Polish Government has, in the past week, admitted occurred after its price reforms.

Prof Kotlyar, however, insists that "you cannot cheat the economy. . . If prices are kept low you may not get inflation but you do get short-

Using official figures from the state statistical bureau (Goskomstat), he points out that prices have doubled in the

more than tripled. To dramatise his point, he says that the suppression of the market leads to inequalities at least as great as in the

capitalist US. In the US, 10 per cent of the people use 29 per cent of the wealth; the situation is certainly not less in this country

particularly since in Western countries people have to
pay taxes as high as 70 per

cent. Here no one pays taxes on uncarned income." He points out that under the subsidy system, only the more-privileged and those who work in the food supply sectors and their families are assured of a ready supply of food.
Further, the gap between state and "real", or market, prices is filled by speculators and reaksteens who present the second state.

not atraid to flaunt their wealth, and who employ administrative and law enforcement officials to pro-

"The leader of the Mexican peasants revolt, Pancho Villa, in an effort to help his people, wanted to print as much money as he could.
"In just such a way have we increased the magnet find here."

increased the wages fund here. We put money into circulation for which we did not have the goods. You do not need to anderstand the laws of the economy but you cannot change them," he writes.

PINANCIAL TIMES

Published by the Financial Times (Europe) Ltd., Frankfurt Branch, represented by E.Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Demer, M.C. Gorman, D.R.P. Palmer, London, Printer: Frankfurter, Societacts-Drueckere:-GmbH, Frankfurter, fart/Main, Responsible editor: G.D. Owen, Financial Times, Bracker House, Cannon Street, London ECQP 4BY, 6
The Financial Times Ltd., 1988.

FINANCIAL TIMES, USPS No 190640, published daily except Smedays and holidays. US subscription rates \$365.00 per annum. Second-class postage and at New York NY and at additional mailing offices. POSTMASTER, send address change to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 19022.

FURTHER evidence that Japan's economy is Japan's trade surplus appears to be resuming a strong rising trend emerged yesterday.

Merchandise trade surplus in July was 25 per cent after seasonal adjustments, 0.1 per cent

the first 20 days of August reached \$2.8bn, 16 per cent higher than in the same period higher than in the same person last year, according to the Min-istry of Finance. Exports surged 21.7 per cent to \$12.9hn on a customs cleared basis while imports maintained their recent strong growth, up 23.2 per cent to \$10.1bn.

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The Berlings

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In the full month of July. Japan's merchandise trade surplus rose for the first time in 15 months, up 4.3 per cent to \$7.2bn. Many economists have been predicting a resurgence of leaven's trade simpluses to him forward bargain sales. Japan's trade surpluses because of the remarkable pro-ductivity gains by Japanese manufacturers in the past two years and buoyant consumer demand in the US and else-

here. after a 3.3 per cent rise in These latest trade figures June. The production index were in line with other statiswere in line with other statis-tics published yesterday show-(1980=100).

The unemployment rate for July was 2.5 per cent after seasonal adjustments, 0.1 per cent higher than the month before. The rate has fallen from a peak of 3.1 per cent in May last year. • Sales by large retailers were up 8.5 per cent to Y1,736.9bn (£7.7bn) in July, according to the Ministry of International Trade and Industry. The figure, composed from the results of 371 department stores and 1,961 weather in July induced stores to bring forward bargain sales. Also, there was an extra Saturday and Sunday in the month. Industrial output in July, seasonally adjusted, fell 0.7 per cent from the previous month,

Israel offers attractive terms for bank shares

By Andrew Whitley in Jerusalem

THE Israeli Treasury yesterday dissipated a large cloud hanging over the national economy, of \$104 for every \$100 worth. announcing attractive terms for the roll-over of \$3.6bm of state-guaranteed bank shares falling due for redemption at

the end of October.
The apparent removal of the

The \$3.6bn constitutes the bulk of the private banking system's shares affected by a system's shares affected by a Almost all the \$3.6bn is believed to be held by Israeli institutions. And, as To save the entire system from collapse, the Government was the terms announced yesterday compelled to step in and guarare significantly better than antee the pre-crash market those available from compara-

key goal has been to avoid a formal nationalisation of the major Israeli banks – trying to create conditions for the shares

kets expect most sharenoners to accept. "This will definitely appeal to the funds," commented Mr David Tobias of the Finance and Trade Bank. eventually to return to private

According to Mr Gad Arbel, were redeemed in October 1985 the Treasury's capital markets and October 1987, mostly by small private shareholders. An arrival of the commissioner, holders of five year bank "arrangement" estimated further \$700m falls

receive the shekel equivalent of \$104 for every \$100 worth.

The apparent removal of the liquidity crisis posed by the looming redemption will also and the domestic cost of living give a boost to Mr Moshe Nissim, the Finance Minister, and his Likud party colleagues, facing the voters on November 1.

The \$3.60n constitutes the bulk of the private health o

financial institutions. And, as value of the shares,
Since then the authorities' ble gilt-edged securities, brokers expect most shareholders

shares wishing to cash in their due in October 1989.

But, if they choose to extend their life for a further three years, on maturity they will be entitled to \$125.50. The terms offered repres

Two previous tranches, of \$660m and \$820m respectively, ware redeemed in October 1985

Opposition in **Burma** ponders next move

By Richard Gourlay in Bangkok

LEADERS of Burma's first opposition alliance formed in 26 years met yesterday to plan how to force the teetering ruling party to meet nationwide demands for the immediate return of democracy, diplomats in Rangoon said. The leaders of the Alliance

for Democracy, Peace and Freedom met separately from the students who have been leading the struggle against the one-party system, sources told Reuters in Rangoon. The Alliance was formed on Monday with U Tin Oo, a sacked army chief of staff and U Nu, the last civilian President, as its head. Rangoon Radio, which remains in government control, broadcast an appeal to monks and the people to restore rail services because lack of trains was driving up food prices. It seemed the only official response to the monks students and middle class Burmese who have taken over the streets of many towns, setting up neighbourhood organisations to keep the peace. They are defying the constitution in

setting up an opposition alli-ance and student unions.

Floods worsen lot of Sudan's famine victims

TENS OF thousands of people are fleeing floods in south Sudan, which was already suffering from a severe famine, a provincial governor said yes-terday, Reuter writes from

Mr Morris Lawiya, Equatoria province governor, said the worst-affected area was the district of Torit, where three months ago 15 people a day were reported to be dying of starvation. He said there was now absolutely no food in the town, but its population of 80,000 had been swollen by 30,000 people made homeless when the nearby Kinyati river

burst its banks. The people who fled from Torit in the last few months because of the famine in the town have now also returned," Mr Lawiya said. He said many people desperate for food had set out to walk from Torit to Juba, the provincial capital 80 miles away, through an area heavily mined by rebels of the Sudan People's Liberation

Organisation.
Mr Lawiya said that famine
had resulted elsewhere in
southern Sudan from a breakdown in normal agriculture caused by the war against the SPLA.

UN chief presents Gulf talks compromise plan

By Andrew Gowers, Middle East Editor, in Geneva THE UN Secretary-General is expected today to present the Iranian and Iraqi foreign ministers with a compromise plan setting up guarantees of freedom of navigation for both countries in the Gulf, a withdrawal of troops behind the international border, and a study on clearing the disputed Shatt al-Arah waterway.

Shatt al-Arah countries in the scope of the international border, and a study on clearing the disputed Shatt al-Arah waterway.

The planned ministerial-level The planted ministerial reversion of two days - was being described by Western diplomats in Geneva as a "make-or-break" session, with Mr Javier Perez de Cuellar enlisting the full weight of the UN Security Council behind his plan.

But it is still not clearwhether the compromise will prove acceptable to Mr Tariq Axis, the Iraqi Foreign Minis-

als already reflect a significant reduction in the scope of the Iran-Iraq talks which began last Thursday. At the outset, he had hoped to agree a time-table for the withdrawal of table for the withdrawal of troops, exchange of prisoners of war and the establishment of an impartial body to inquire into responsibility for the war. At Iraq's insistence, he is now having to propose three different steps in strict sequence, the first, of which remains highly controversial. Mention of the impartial body which han regards as essential which Iran regards as essential has been shelved.

Peking to hold prices to year end

CHINA yesterday confirmed a planned price freeze for the rest of the year and warned that the grain harvest could be smaller than in 1987 because of natural disasters, Reuter writes from Peking. Government television said

Government television said the State Council met to discuss price reform policy and banned price rises until the start of a five-year programme in January 1989. Inflation next year would not be as high as this year, it quoted ministers. Premier Li Peng, shown presiding over the meeting, was quoted as saying the grain harvest could be smaller than last year because of floods and drought. China's harvest

drought. China's harvest totalled 404.7m tonnes in 1987.

including such crops as soybeens. According to official figures. prices rose by a national year-on-year average of 13 per cent in the first half of 1988 but western economists say the rate is much higher.

Main cities have been swept by panic buying and runs on banks in recent weeks because of fear of more price rises caused by the Government reducing food subsidies.

The State Council ordered

local governments not to raise prices without permission from the central authorities. It said speculators who pushed up prices and tried to control markets would be punished.

Peace in sight for Western Sahara

Edward Mortimer on origins and future of an historical accident

HE WESTERN Sahara conflict, to which an end is at last in sight after yesterday's agreement in Geneva, has been a painful, almost grotesque, result of the unwritten law that all territory in the modern world. in the modern world, no matter how sparsely inhabited, must come under the exclusive jurisdiction of an internationally recognised nation state.

That notion, as unfamiliar to 19th century Africa as to medi-eval Europe, was imported largely by accident as a result of European powers' need to regulate their competition for control of African markets and resources by delimiting the continent into spheres of influence.

The question whether the area that became the Spanish territories of Saguiet-el-Hamra and Rio de Oro was or was not "part of Morocco" was probably not one that had occurred, before colonisation, either to the few nomadic inhabitants of that territory or even to the Sultan of Morocco himself. The International Court of Justice, in the advisory opinion which it gave at the request of the UN General Assembly in 1975. found no legal ties strong enough to override the right of self-determination which, according to 20th-century norms, was vested in the terri-tory's inhabitants.

Spain under General Franco was slow to bow to the prevailing wind of decolonisation. It was not until 1974 that Madrid announced plans for a referen-dum in the Sahara; whereupon King Hassan of Morocco imme-diately rejected any referen-dum which included indepen-

dence as an option.

In the event no referendum was held, but a UN mission in May-June 1975 found an "overwhelming consensus among Sahrawis within the territory in favour of independence and opposing integration with any neighbouring country". In spite of this King Hassan stepped up the pressure. A "Green March" of 350,000 Moroccan civilians arrived at the occan civilians arrived at the frontier in early November,

preceded at certain points by Moroccan troops.

Franco was by this time in his final coma, and his minis-ters were not prepared to fight Morocco to secure the indepen-dence of a colony from which Spain had only with reluctance agreed to withdraw. On November 14 1975 they signed an agreement transferring power in the Sahara to both Morocco and Mauritania, the two countries having meanwhile agreed between themselves to partition the terri-

On February 26 1976 Spanish administration formally came to an end. But next day an

assembly convened by the Poli-sario Front proclaimed the independence of the "Sahrawi independence of the "Sahrawi Arab Democratic Republic" (SADR), which enjoyed the backing and soon the recognition of Algeria.

War between Morocco and the Polisario has continued ever since, though in 1979 Mauritania signed a peace treaty with the Polisario and withdrew. Morocco promptly

withdrew. Morocco promptly annexed what had been Mauritania's share of the territory. Morocco indeed has consistently controlled most of the coastline and above all the "useful triangle" comprising the capital, El Aaiun, the phos-phate mines of Bu Craa, and the conveyor belt linking them to the sea. Gradually it has extended its control of the surrounding desert by building a series of defensive walls.

> from bases in and around Tindouf in Algeria, has used hit-and-run tactics to make holding the territory an expensive nuisance for King Hassan but does not seem to have dented the national consensus within Morocco that the Sahara is an inalienable part of the national soil. Its successes have been mainly in the diplomatic arena, including recognition of the SADR by over 70 countries and above all full membership of the Organisation of African

he Polisario, operating

Unity, which provoked King Hassan to leave that body. But the Polisario has been crucially dependent for both military and political successes on Algerian support, and the resumption of diplomatic rela-tions between Morocco and Algeria this May, after a freeze lasting throughout the war, has clearly placed it under irresistible pressure to make con-

cessions. On paper it has won a victory by winning King Hassan's agreement to withdraw his troops to barracks, and in part from the territory as a whole, while allowing a referendum supervised jointly by the UN and the OAU. But it seems unlikely that the King has consented to a process that will oblige him to recognise the

Sahara's independence.
That outcome could be expected only if the right to vote is accorded to all the "refugees" (more than 165,000 according to the Algerians) now living under the Polisario's control in and around Tindouf. Morocco has consistently denied that the majority of these do in fact originate from the former Spanish territory. If it now concedes that point, it will most likely be in exchange for an agreement by the Polisa-rio to advocate a compromise solution, involving some form of autonomy well short of full independence.

Botha may call early election

By Jim Jones in Johannesburg

PRESIDENT P.W. Botha has called a joint sitting of South. Africa's three racially-separate parliaments for Friday amid growing speculation that he will call a snap general election to coincide with municipal elections on October 26.

The speculation has been

The speculation has been fuelled by the deepening constitutional crisis caused by the Botha Government's determination to force stricter residen-tial segregation laws through the legislative process in spite of blocking moves by Indian and coloured parliamentarians. Under the constitution, this Friday is the last day on which an October 26 election can be called.

Yesterday Mr Chris Hennis Minister of Constitutional Development and Planning, met the Rev Allan Hendrickse the leader of the coloured Labour Party, in an apparently unsuccessful effort to defuse the crisis. The party wants the Group Areas Act, cornerstone of residential segregation, repealed. The Indian and col-oured parliaments' refusal to debate the legislation blocked its passage until the Govern-ment shrugged the constitu-tion aside with plans to promulgate the new laws after passage through the white house alone.

THEM YOUR NEEDS HEM TOO HOT TO HANDLE

CORPOR STE RULE BOOK

As anyone in the Truck business knows. giant multi-national companies can be very inflexible in being able to deal with customers' individual needs.

Unfortunately, by the very nature of their size and business structure, they're bogged down by layers of bureaucracy and are unable to respond quickly even if they wanted to.

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AMERICAN NEWS

Arrests in Chile as junta picks candidate

By Mary Helen Spooner in

CHILEAN police arrested 21 people in a human rights dem-onstration in Santiago on Mon-day as the country's military commanders prepared for yes-terday's meeting to choose a candidate for the one-man presidential plebiscite sched-uled for later this year. Security was tight during

yesterday's deliberations by the junta as authorities cut off traffic for several blocks along the capital's principal avenue near the Chilean Defence Ministry, where the commanders of the air force, navy and national police gathered with General Augusto Pinochet. Government supporters have organised a rally to take place



Pinochet: tight security

outside the La Moneda presi dential palace after the junta officially announces the candidate. Defence Minister Admiral Patricio Carvajal said that peaceful demonstrations by opponents of the regime were perfectly authorised" but that officials would intervene to stop any demonstrations which threatened to spill over into

violence. In Monday's demonstration ried cardboard silhouettes of human figures bearing the names of Chileans who disap-peared during the 15-year-old military regime. Under each figure's name was the question "Did you forget me?" and the words "yes" and "no", an allusion to the forthcoming plebi-

Riot police broke up the demonstration with tear gas and water canon and detained 17 women and four men on charges of disorderly conduct.

RJR Nabisco gambles on 'smokeless' cigarette to protect tobacco sales RJR Nabisco, the second-largest US product banned as a quack drug, than burns tobacco and produces think it's going to hit, we really will truly complex and possibly perilous effect, a medicine. That work

tobacco company, has begun taking first orders from shops and supermarkets for a new type of "smoke-less" cigarette which it hopes will transform a harried and declining business, writes James Buchan in New York.

Amid complaints from doctors and anti-smoking groups who want the

RJR's armies of salesmen on Monday began selling its new Premier brand in the markets of St. Louis, Missouri and Phoenix and Tucson, Arizona. "It should be available at retail about October 1," Mr David lauco of R. J. Reynolds Tobacco in Winston-Salem said yesterday. The cigarette, which heats rather

almost no smoke from its tip, is a deflant gamble by RJR and its Canadian-born chairman, Mr Ross Johnson, to protect the tobacco business from spreading opposition on health grounds. The almost \$20bn US tobacco industry is declining at 2 per cent a year. "Okay, by '92 if it hits what we

think it's going to hit, we really will have semi-revolutionised this busi-ness." Mr Johnson said recently. Just three or four percentage points of market share would give RJR a huge new source of revenue and profit, Wall Street analysts say.

Rut Madison Avenue people say that Premier presents RJR with a truly complex and possibly perilous marketing challenge. They say that RJR (and its advertiser, Young & Rubicam) must market Premier to addicted, reluctant or party smokers partly as a "safe" cigarette.

But they cannot make this claim unless they are ready to prove to Washington that the smoke is, in

effect, a medicine. That would leave the industry vulnerable to legal chal-lenge on conventional cigarettes. Mr Iauco said. "We're making no health claims. The major theme is that this is a classes smake, which that this is a cleaner smoke, which virtually eliminates sidestream smoke and also reduces the contro-versial compounds" in conventional

Moscow accused of violating Afghan deal

By Lionel Barber in Washington

THE US yesterday accused the Soviet Union of breaching the Geneva peace accords on Afghanistan by sending bombers from Soviet territory to hit rebel targets near the northern city of Kunduz.

Mr Michael Armacost, a senior State Department offi-cial, is to raise the matter with Mr Yuli Vorontsov, his Soviet counterpart, at a meeting scheduled to take place in Moscow tomorrow.

The Soviet decision to reoccupy Kunduz, about 27 miles from the border with the Mos-lem region of the Soviet Union,

MR GEORGE BUSH, US

Vice-President and the Republican candidate in November's

has returned to a city abandoned since it began its overall withdrawal last May. A US official said the Administration did not, however, intend to challenge the Soviet commitment to the withdrawal of 120,000 troops from Afghan-istan by next February. "The Soviet withdrawal is on track,"

the official said. the official said.

Moscow was evidently unwilling to cede a major provincial city close to its border during its troop withdrawal and was concerned about the and was concerned about the strength of the Afghan army and the Soviet-backed puppet regime in Kabul, the official said.

in the November election.

Mr Bush needs these conservative activists in November,

but some of his advisers have urged him to retain flexibility on SDL They want to avoid

in the background, the

debate within the Reagan Administration remains unre-

Afghan rebels captured the city of Kunduz, soon after Red Army forces withdrew on August 13. But the resistance was forced to give it up after the Soviet army launched heavy bombing and artillery Ms Phyllis Oakley, the State Department spokeswoman,

the United Nations observer group monitoring the agree-"It is clear that Soviet bombers have been involved . . . In our view this is a violation of the accords," she said.

Governor Michael Dukakis of Massachusetts, the Demo-

cratic nominee, has said that the US does not need SDI but

has suggested he would con-

initiative and "make a safer world". But the next day he

gave an interview to the New York Times and said that any

deployment decision would be subject to scientific and bud-getary constraints. "I don't think we yet know what the

defence systems

replying to questions, said the US would raise the matter with

Geneva accords, the Soviet Union agreed to end their eight year occupation of Afghanistan by next February, with half of their 120,000 troops to be removed by August 15.

The US and Soviet Union reserved the right under the Geneva accords to supply arms to their respective clients during the withdrawal period. Separate general understandings to exercise restraint have foundered on continuing clashes between the Kabul regime and factions in the Afghan resistance, some of which have continued to Under the UN-sponsored attack Soviet troops.

price tag will be," he said. Mr Bush then uttered a fur-

ther heresy, in the view of con-

servatives, by expressing an interest in a partial deploy-

According to Mr Michael

space-based system whatever the cost, and "the realists" led by former Mr James Schlesin-

ger, a Defence Secretary, and former Texas Senator John

Tower who envisage a more limited, less exotic version.

ment of SDL

THE Reagan Administration has decided not to appeal against a court ruling allowing the Palestine Liberation Organ-

isation to maintain its observer mission to the United Nations. The decision marks a victory for the US State Department which fought congressional legislation that sought to close down the PLO mission. A fed-eral court in Manhattan had ruled earlier that the 1987

ruled earlier that the 1987
Anti-Terrorism Act did not apply to the PLO office.
The State Department argued that closing the office would damage the US role as host to the UN and harm US relations with Arab and Third World countries.
US officials said that they had not been influenced by recent statements from PLO leaders saying they were will-

White House accepts court

ruling on PLO

By Lionel Barber in

Washington

leaders saying they were willing to set up a provisional government in the territories of the West Bank and Gaza occupied by Israel. Some consider such a move as the prelude to PLO recognition of Israel's existence as a state.

US officials said they would still oppose PLO moves to reopen an office in Washington. It remains in doubt whether the Administration would grant a visa to Mr Yas-sir Arafat, the PLO leader, if he applied to speak at the UN General Assembly this year.

Police break up

Panama protest POLICE fired birdshot and threw teargas grenades to break up a demonstration yesterday by students upset with a shortage of school supplies, AP reports from Panama City. At least four protesters were alightly wounded, witnesses said. A broadcast on the US Southern Command's television station warned US milision station warned US mili-tary personnel not to enter the

An offer India cannot afford to refuse

Soviet trade with India is booming on the back of cheap credit, writes K K Sharma

Congress majority likely for Salinas

By David Gardner in Mexico City

AFTER two weeks of parliamentary skirmishes with the opposition, Mexico's ruling Institutional Revolutionary Party (PRI) looks to have established a majority in Congress sufficient to ratify Mr Carlos Salinas de Gortari as President-elect and avoid a general review of last month's tisputed election results. By late Monday night, after a series of long sittings in the Chamber of Deputies; the PRI's 20-seat majority proved sufficient to steamroller through congressional results which will conserve this margin when Congress later this week becomes the Electoral College which delivers the final verdict on the presidential contest.

Though in theory it could take Congress two months to ratify the new President, the PRI is expected to try to engineer an early resolution within the first two weeks of Septem-

The ruling party has made token concessions by awarding first-past-the post seats in Congress to opposition candidates from areas where ballot-rigging was most visible. But it has systematically refu mit disputed areas to the test of a recount.

This foreseeably would have at least lowered its victory margin below 50 per cent. Though of little practical consequence in the presidential contest, a figure of less than 50 per cent would leave the PRI and opposition in Congress evenly divided and Mr Salinas at risk. With more than helf the votes for Congress, the law guarantees the ruling party 260 seats against 240 for the combined opposition, since what the PRI loses in the 300 seats decided by simple majority it recovers in the 200 proportional representation seats. The still incomplete official

results of the July 6 presiden-tial election gave Mr Salinas

50.4 per cent, against 31.1 per cent for Mr Cuanhtemoc Car-denas's broad left National Democratic Front (FDN) and Democratic Front (FDM) 17.1 per cent for the right wing National Action Party (PAN). Both the left and right dispute these results and nost of their these results and nost of their these results and most or their deputies boycotted the final sessions of Congress.

PRI leaders stressed yester-day that – despite the less

than democratic spectacle of its congressmen largely deciding the fairness of the contest which supposedly elected tham - the procedures followed have been in strict accordance with the law. Mr Guillermo Jimenez Morales, its leader in Congress, said the congressional results were "legitimate and walld conforming to and valid . . conforming to organic [electoral and constitutional] law and the rules [of Congress]." Mr Cardenas said "they can give [the results] a form of legality but what they can't do is make them legitimeter."

Though the reformist group led by Mr Salinas has fre-quently stated that the credi-bility of the elections was its central concern, it now appears to have closed ranks with the PRI old guard and set its face against any concessions on the results. Instead it is seeking to figitimise the Salinas mandate by offering to negotiate with the opposition on democratic reform.

Mr Manuel Camacho, PRI secretary-general and Mr Sali-nas's closest political adviser, nas's closest pointeal anviser, this week set out the regime's terms to the opposition by offering a "broad dialogue" leading to a "national accord". He quoted weekend remarks by President Miguel de la Madrid saying "we will not permit the destruction of the system" and echoed a recent manifesto. and echoed a recent manifesto by a wide spectrum of leading intellectuals warning all par-ties they were risking a return to Mexico's "past of intolerance and fratricidal struggle".

presidential election, is conducting a tricky balancing act on the Strategic Defence Initiative – the "Star Wars" programme – which is tantalising tinue research while beefing up conventional weapons. further categorical commit-ments such as the flat "No tax Krepon, an arms control expert at the Carnegie Institute in Washington, Mr Bush is walk-ing a tightrope between the Mr Bush's SDI minuet began last week when he told an audience in Los Angeles that he would go forward with the not only policy analysts in the Kremlin but also conservatives increase" pledge which has already boxed in the Vice-Preswithin his own Republican ident on his future budget right wingers who want a cast-iron commitment to a

Bush takes shelter behind SDI ambiguity

nouncements are a microcosm of his ambivalent relationship with conservative Republicans

Party. Mr Bush's ambiguous probelieve that the SDI snacetem is a winning political issue

solved on the shape and timing of SDI deployment, as well as the future of the 1972 ABM treaty with the Soviet Union which bans such anti-missile Brazil draft budget aims to slash spending by 10% By Ivo Dawnay in Sao Paulo

PRESIDENT Jose Sarney of Brazil was yesterday studying the final draft of an austere 1989 budget which aims to slash spending by up to 10 per cent compared with this year. Extensive leaks indicate that Mr Joao Batista de Abreu, the Planning Minister, wants cuts

of up to Cz1,300bn (\$4bn) to reduce the public sector deficit from a forecast 4 per cent of Gross Domestic Product this year to less than 2 per cent.

The latter figure is the target agreed between Brazil and its international creditors in debt

rescheduling agreements while elsewhere budgets are which are nearly finalised. As such, it is unlikely to find popularity with congressmen, Congress, which would have many of whom oppose the terms of the debt accords.

Hundreds of programmes
and several long-standing subsidies face Mr Batista's axe.

Congress, which would have greater budgetary powers, may alter priorities but cannot raise the spending total. The draft must be approved or rejected by November.

WORLD TRADE NEWS

De Clercq renews warning on EC trade after 1992

the European Community's barrier-free market after 1992, Mr Willy De Clercq, the Commissioner for external trade, warned yesterday. He told a conference in Alpach, Austria: "Where inter-

national obligations do not exist, as for example in the field of services, we see no rea-son why the benefits of our internal liberalisation should be extended unilaterally to

third countries."
Mr De Clercq said the EC would only open its borders on the "basis of a mutual balance of advantages in the spirit of the Gatt." That meant negotia-ting reciprocal concessions with third countries, both mul-tilaterally and bilaterally.

tilsterally and bilaterally.

Mr De Clercq's remarks repeat a message he gave in London last month which provoked anxiety among the RC's

among the formalmes. The Commission proposes that foreign banks should only get that freedom if their home countries offer the same rights to Community institutions.

special trade privileges with the US because of alleged abuses of the rights of Palestin-

Trade Representative, has

added Israel, one of the closest US allies, to the list of coun-tries whose trade benefits may

be denied and is to investigate

the trade representative to agree to investigate a close ally. Other investigations were

Guatemala, Indonesia, the Phi-lippines, Thailand and Turkey. The complaint against Israel

was filed by the American-Arab Anti-Discrimination

Council which alleged that Pal-

estinian workers "are routinely denied the protection historically provided by trade unions." It claimed that Gaza

Israel's US trade

privileges at risk

INRARL is in danger of losing Strip trade unions were prohib-special trade privileges with ited from soliciting members.

Mr Clayton Yeutter, the US and that numerous union offi-

Israeli labour practices.

The investigation is part of basis in fact." If a country is an annual review of comfound to dany worker rights

plaints about foreign labour and fails to agree to improve practices, but it is unusual for its practices it can be removed

alty. Other investigations were ucts of developing countries.

ordered into the labour practucis of developing countries.

A decision will be announced.

tices of Burma, Haiti, Liberia,
Malaysia and Syria, but Mr
Yeutter turned down petitions
claiming abuses in El Salvador,
It has been expected for

FOREIGN companies cannot main trade pariners. The fact expect guaranteed access to that he is reiterating the warning so soon is likely to heighten US and Japanese neighten US and Japanese fears of EC protectionist ten-dencies, especially in the wake of the international concern provoked by the new US Omni-bus Trade Law.

Mr De Clerco said he wanted to dispel fears of a "fortress Europe", but stressed that the internal market's main aim was to remove barriers

between EC countries.
Brussels has set out how it plans to pursue the principle of reciprocity in a scheme now being considered by member states, which would allow EC banks to open branches in other member states with almost no formalities.

The Commission proposes

holding meetings and conduct-ing elections; that many West Bank unions had been closed;

cials had been arrested and

were awaiting deportation.
Mr Gary Holmes, a spokes-man for Mr Yeutter, said, "A

lot of people in the government

from the Generalised System of Preferences, which allows

duty-free access to the prod-

some time that Israel would be

removed from the GSP because

of its status as a middle, income country. Anticipating such moves, Israel and the US signed a free trade agreement

in 1985 phasing out all tariffs

and duties over ten years.

Israel's US embassy said it would refute the allegations.

British banks dislike the idea because they fear being caught up in reciprocity rows caught up in reciprocity rows originating in other member states. However, Mr De Clercq argued yesterday: "What we wish to do is to provide ourselves with negotiating leverage with which to pursue our general aim of overall reciprocity."

• The Commission has imposed temporary anti-dump-ing levies on imports of copper sulphate from Bulgaria and the

sulphate from Bulgaria and the Soviet Union.

The duties, 20 per cent for Soviet imports and 39 per cent for Bulgarian copper sulphate, come in response to complaints from Ceffic, the EC chemicals industry federation. Ceffic alleged that the two eastern bloc countries had failed to stick to earlier mornises not to stick to earlier promises not to sell copper sulphate in the BC at prices below those charged on their home markets.

Turkey and Iran agree power deal By Jim Bodgener

TURKEY appears well placed

for the boom expected in Iran following the Gulf war cease-fire, after signing a protocol for joint-venture power plants burning imported Iranian gas. The protocol covers construction of plants in eastern anatolia and in Iskenderun to the south-east. The first will use piped gas and the second liquid natural gas shipped from Iran. Power from the first would be chered between the would be shared between the two countries - the second would generate electricity for a steel complex near Iskenderun,

and also power joint-venture fertilizer and other chemicals Pakistan may also be included in the scheme - with Turkey and Iran it forms the regional Economic Co-opera-tion Organisation. A joint marketing study will also be car-ried out for Iranian gas exports via a proposed pipeline across

Turkey to Europe.
In addition, the two countries are to resume work on proposals for a 1,300km crude oil pipeline from Iran to the Bay of Iskenderun. XPORTING Soviet nuclear power plants might not seem the easiest of tasks. But Moscow will, soon sign a deal to set up two 500MW plants in south India. The agreement, to be signed when Mr Mikhail Gorbachev makes his second visit to India in the autumn, is just one manifestation of a huge growth in trade between the two countries. The main reasons for the increase - up 25 per cent a year in the past two years and likely to continue at this pace 1982 83 84 85 86

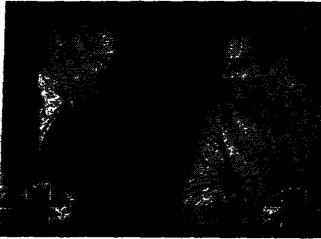
likely to continue at this pace until at least 1995 — are the political will to speed up the economic relations and the remarkably good terms that Moscow offers.

In the case of the nuclear plants, the terms often make it impossible for India to reject what are ridiculously low-priced offers, indo-Soviet trade is conducted not in scarce had is conducted not in scarce hard currency, as is the case with western countries and Japan, but through a trade plan in which imports and exports of both countries are balanced

annually.
Imbalances are dealt with through what are known as "technical credits" which have been mostly in India's favour and which the country has used to buy sophisticated Soviet defence equipment inex-

pensively.

The defence equipment and the plant and machinery are available at irresistibly soft terms. Two lines of credit worth 2.5bn rouhles (£2.3bn) have been extended at such



Gorbachev and Gandbi: a political will to boost

low interest rates and long repayment periods that nearly 70 per cent of the cost works out to be a grant. Said an Indian official involved in Indo-Soviet trade: involved in Indo-Soviet trade:
"The trade is not in hard currency, the Russians always transfer technology and prices are low so this means there is a net additionality of resources." For a country acutely short of funds for its development projects, such offers are impossible to resist. The Soviets have been showing a new aggressiveness in

ing a new aggressiveness in the Indian market since Mr Gorbachev first visited India two years ago. When he visits again in

November both countries will review progress towards the aim of increasing trade by 250

per cent by 1995. The progress report that their experts will turn in will be more than satis-

Power generation is the main acctor involved. The signing of the nuclear power deal will be the highlight of Mr Gorhachev's visit, although the projects have been agreed in spite of Indian hesitations about the quality of Soviet technology.

apout the quanty of Soviet technology.

Moscow will also help ease the acute shortage of electricity in India by adding 10,000MW of capacity in hydroelectric and thermal plants. Another 1,500MW is to be generated from lightly at Neyveli while yet another 16 smaller elections built with Soviet aid. stations built with Soviet aid are to be modernise

Union will start three open-cast mines in the Bihar West Bengal belt to yield around 14 million tonnes a year while another underground mine is to be launched at Jhanjaria which is only one of eight such projects identified for Soviet

exploration in North Cambay, Cauvery and West Bengal and are the only foreigners to be allowed onshore drilling in India. The Soviets are also helping to restore "sick" wells. They will be partners with the government-owned Indian Oil and Tata Chemicals for a new segment of the state of the stat refinery at Karnal in Haryana. In the steel sector, the Soviet Union has made a joint bid

British built steel plant at Dur-gapur in the Indian state of West Bengal, a project for which British Steel is considered the front runner. And it is to modernise the Soviet-built plant at Bhilai in Madhya Pra-desh and expand the Bokaro

In addition, the Soviets have bid for "production co-opera-tion" projects and joint ven-tures with Indian public and private sector companies that private sector companies that will cater to markets in both countries. At least 70 such ventures are being discussed and these should now gain momentum with the establishment of a special Soviet association for business co-operation with

The aim is to restore the Soviet Union to its former role as a leading supplier of capital goods, plant and machinery and as a constructor of projects ann as a constructor of projects in India. This role was lost in the last decade when nearly 80 per cent of Soviet exports were made up such raw materials as crude oil, petroleum products and fertilisers because the Soviets were machlo to construct the soviets were problem. Soviets were unable to supply India with the quality of modern technology and machinery that it required.

Since Mr Gorbachev's visit two years ago and the agreement with Mr Rajiv Gandhi, India's prime minister, to increase rapidly their economic contacts so that these harmon-ise with their close political relations, the Indians have discovered that the Soviets do, in fact, have various suitable technologies.

re to be modernised. with Mannesman Demag of In coal mining, the Soviet Germany to modernise the Jordan and Iraq ready to settle exports finance row

A FOUR-MONTH dispute over the financing of Jordanian exports to Iraq may soon end exports to fraq may soon end following an agreement in principle between Baghdad and Amman to extend their trade protocol for this year.

After negotiations between senior officials of the Iraqi For-

eign Trade Ministry and the Jordanian Ministry of Industry and Trade at the weekend, the Iraqis agreed to honour an extra \$100m of import orders from Jordan above the \$185m provided for under the 1988 protocol. They are also understood to have pledged to speed up payments on Iraq's esti-mated \$500m debt to Jordan. The agreement should per-

mit a resumption of Jordanian exports to its chief trading partner. These slowed signifi-cantly when Jordan stopped financing them in April after an unrestrained export boom. Bankers in Amman say it will also contribute to a recovery of confidence among Jordanian industrialists, which has already been bolstered by liberalisation measures this month and by the ceasefire in the Gulf

The problem arose when Amman noticed that Iraqi traders, taking advantage of a loosening of the state monopoly over foreign trade, had con-cluded import orders well in excess of the \$185m quota

agreed between the two govagreed between the two gov-ernments. When the Central Bank of Jordan responded by suspending export financing under the protocol, Jordanian traders feared they would be left with large unpaid debts on contracts that in some cases they had already bought raw materials to fulfil.

Mr. Oabis, Abdul Fattah.

Mr Qabis Abdul Fattah, ninder-secretary at the Iraqi Trade Ministry, told the Jordan Times that Iraqi letters of credit issued in favour of Jordanian exporters for goods shipped before April 16 would be honoured in full. Mr Handi Tabaa, Jordan's Industry and Trade Minister, said the value of expose lefters of credit had of excess letters of credit had

been estimated at \$100m after excluding goods with less than 40 per cent local content or value added.

It is not clear how this full amount is to be funded, but bankers expect Jordan to try to step up its imports from Iraq to compensate for the additional

exports.

This is a very good settlement," said one local banker who was anxious about unpaid debts earlier this year. Another said it reflected the recent improvement in Iraq's political and economic fortimes, which was also reflected

in a sharp rise in the value of the Iraqi dinar earlier this month, as well as Jordan's

desire to maintain access to the Iraqi market ahead of an expected reconstruction drive. "The Iraqi financial position is "The fragi financial position is stronger now. After the cease-fire, things changed," said a local financial expert.

In line with this impression, laghdad has pledged to try to settle its outstanding debts to Jordan within two years. Jordan within two years. Under its previous timetable providing for instalments of about \$11m a month - Iraq would have taken nearly four years to pay offer the debt.

Jordanian industrialists have also been approximately. have also been encouraged by Government liberalisation measures announced on

Jex. 1:50

UK NEWS

Postal strike 'to leave backlog for several days'

By Michael Smith, Labour Staff

BRITAIN's postal workers

BRITAIN's postal workers were due to start their first national strike for 17 years this morning in protest against the Post Office's imposition of pay supplements for new recruits.

The Post Office said mail services would be severely disrupted and that the backlog of mail would take several days to clear up. It is considering hiring extra casual staff and transport on Thursday.

transport on Thursday.

The Union of Communication Workers (UCW) instructed its 140,000 workers in the letters and parcels divisions to begin their 24-hour strike from about 2.30am this morning. Post offices will open as usual as the dispute does not involve

counter workers.

Mr Alam Tuffin, union general secretary, said indications were that the strike will be overwhelmingly supported.

The union will review its

next step at Thursday lunch-time after the strike committee has reviewed today's strike and the possibility of making progress in talks with the Post Office.

There seemed little sign last night of a thaw between the two sides. The union said that it would not walk through the Post Office's "open door" for talks until the Post Office removed the conditions on

Mr Bill Cockburn, managing director of Royal Mail Letters, said it was a "daft dispute" which could only benefit the Post Office's competitors. Mr Tuffin said the action was the result of the sheer frustration and anger of people working in the Post Office. "The Post Office has the worst industrial relation record of any employer in Britain," he said.

Mr Tuffin was referring to the large number of wildcat strikes in local post offices which last year led to the loss of 64,000 working days. The Post Office points out that this represents about 0.3 per cent of the total possible but admits it wants to see the record

Kevin Brown, Transport Cor-respondent, adds:: Private mail companies forecast a surge in business mail last night, but stressed that they could not provide a full alternative to the

BACKGROUND Today's strike was sparked by the Post Office's imposition in May of supplementary pay-ments for new staff in south-east England areas where recruitment is difficult. The

Post Office says the payments of between of 27.50 and £20 a week are needed to carb the turnover of staff. The UCW says the paymen breach terms of a productivity agreement signed last Christ-

agreement signed last Christmas. This excluded new recruits from productivity bonnses, also of between 27.50 and 220 a week, received by existing members.

The union wants either the Post Office to make the payments to recruits throughout the country or to withdrawn them altogether. The union is concerned that the payments erned that the payments could be the forerunner of regional pay differentials.

Post Office, even if the lav Allowed them to do so.

Lord Young, the Trade and Industry Secretary, has the power under the 1981 British Telecommunications Act to suspend the Post Office monop-

oly on letters costing less than £1, but is unlikely to so so. Ministers are believed to have abandoned plans to sus-pend the monopoly after a DTI review indicated that rural services could suffer, and the average price of a stamp could Mr Richard Baker, manager

of Deltec Citimail, said he expected deliveries in central London to double during the strike. But he added."There is no way that any company could possibly replace the Post

Mr Chris Atkinson, general manager of TNT Express UK, said: "The telephones have been red hot today. People are just getting fed up with these

Mr Atkinson said TNT's Supamail service, which currently handles 10,000 consignments a week, could replace the Post Office's Datapost express service, but not the first and second class post. Observer, Page 14; Lex, Page



THE NATIONAL transmission company, which will be at the centre of the the privatised electricity industry, has lost its plant needed to maintain power supplies during winter evening peaks in demand.

The company's failure to secure this strategically important plant will greatly reduce its chance of becoming a market maker in electric power after privatisation.
The gas turbines, used to

meet surges in demand, could potentially give great market power to their owners when a spot market in electricity starts to develop. This is because the alternative to using them could be wide-spread blackouts.

At present they are con-trolled by the operators at the national grid centre which is part of the Central Electricity Generating Board.
When the industry is sold.

however, the grid will be run by a separate transmission company owned jointly by 12 private electricity distribution companies. The CEGE's power stations will be divided between two companies.

Mr David Jefferies, who is to

be chairman of the transmis-sion company, has argued that he should be allocated the 11 turbine stations for econor and engineering reasons. He has told the Government

that the grid controllers must be able to switch this plant on at a few minutes' notice at peak times and need to run them more routinely to ensure that voltages oscillate in phase with electric current throughout the country.

Another argument for giving this plant to the transmission this plant to the transmission company was that as a non profit-making regulated company, it would be unable to exploit periods of electricity shortage by charging excessive prices. Instead, it was argued, the transmission company would use the plant to establish a henchwark refer for lish a benchmark price for peak power, against which offerings from private genera-tors could be matched.

This case was vigorously opposed by the CEGB. It said turbines were an integral part the generating system.



The world's biggest military aircraft, the Antonov 124, preparing to land at Farnborough, west of London, yesterday for the international air show which opens on Sunday. Show officials are reviewing their safety rules after the weekend crash in West Germany in which 47 air show spectators were killed and 345 injured. An official said: "This is such a prestigious and expensive air show that every precaution is taken."

Horton, British Petroleum's

land, and Professor Gareth

Roberts, research director of Thorn EML

chairman-designate of English

China Clays, who has already been named as part-time fund-ing council chairman, bringing

to seven out of 15 the indus-trial representation on the

Sir Peter Swinnerton-Dyer, the former vice-chancellor of Cambridge Unversity who is the funding council's first chief

executive, welcomed the infinx of industrialists as likely to add weight to the council's rep-

He said it would be difficult

for Whitehall to dismiss calls for extra funds from such a

resentations with ministers.

They join Lord Chilver,

Industrialists appointed to sit on universities funding body

By David Thomas, Education Correspondent appointed six business people to the funding council: Sir Peter Baxendell, chairman of

SEVEN industrialists have been appointed to the Universities Funding Council, the new statutory body which will channel public money to the universities.

The move is a further sign of the Government's determina-tion to make higher education pay greater attention to indus-try's needs.

The appointments will mean that almost half of the new council will consist of industrialists. This is a break from the past practice of filling such bodies almost entirely with

The Universities Funding Council, due to be established later this year and to assume its full powers next April, is the successor to the University Grants Committee, which had only three industrialists among its 18 members

The funding council is widely expected to have greater control over universi-ties than its predecessor through a new system of contracts with individual institu-

tions. Mr Kenneth Baker, Education Secretary, yesterday

body as special pleading.
Separately, the Council for Industry and Higher Education, a pressure group representing 26 large companies concerned to improve links Hawker Siddeley and a director of Shell, Mrs Rhiannon Chap-man, personnel director of the Stock Exchange, Professor Marian Hicks, science director of United Biscuits, Mr Robert between business and academia, called for universities to be graded according to the quality of their teaching. This would be in addition to the managing director, Sir Donald McCallum, former general manager of Ferranti in Scotpresent system of grading

according to their research. The council, chaired by Lord Prior, chairman of the General Electric Company, yesterday called for a review of the quality of teaching in universities on the ground that "industry values excellent teaching

above good research." The council was commenting on an exercise now under way by the grants committee to assess the quality of research

in universities. The outcome is likely to determine at least 15 per cent of universities' incomes from 1990-91. The grants committee has

previously considered that assessment of universities' teaching was best left to the individual institutions.

Police chief urges practical change to extradition rules

By Our Belfast Correspondent

PRACTICAL AMENDMENTS to the extradition arrange-ments between the Republic of ireland and Northern Ireland were called for yesterday by Mr Michael McAtamney, Dep-uty Chief Constable of the

Mr McAtamney said Saturday's protest by Sinn Fein over the extradition of Maze prison escaper Mr Robert Russell was organised in advance because of the requirement to state in court the time and place of transfer.

He said the disclosure of such information committed police manpower. He suggested that the possibility of airlifting prisoners across the border should be investigated.

In an interview with the Bel-fast Telegraph, Mr McAtamney also rejected suggestions that the recent upsurge in IRA vio-lence had taken place by surprise, pointing out that Sir John Hermon, the Chief Con-stable, had given a warning on at least six occasions this year that the Provisionals had received new shipments of arms and was preparing a major campaign.

Mr McAtamney said recent suggestions that the border should be pysically sealed off were totally impractical although he endorsed moves for an end to terrorist suspects' right to appear allows. right to remain silent during

Meanwhile, the army in Northern Ireland has ordered an investigation into why mili-tary maps for use by the Brit-ish Army of the Rhine were discovered on a rubbish skip in Londonerry.

Mr Gregory Campbell, a Derry Democratic Unionist councillor, produced some of the maps at a press conference in the city yesterday and said they contained information on the site of British army garrison and other military training areas in West Germany which could have assisted the IRA

murder campaign in Europe.

Mr Campbell claimed that within 90 minutes of producing some of the maps to the RUC the area was sealed off and all the maps removed.

A spokesman at army head-quarters in Lisbourne said the matter was being investigated in consultation with the RUC.

Williams makes agreed £34m bid for Smallbone

By Nikk! Tait

acquisitive industrial conglomerate, yesterday combined news of pre-tax profits just topping £52.7m in the six months to end-June with an agreed \$34.5m bid for Smallbone, the maker of bespoke kitchen, bed-room and bathroom furniture.

Williams said the deal would enhance its portfolio of con-sumer brand names, which now include Crown paints, Polycell and Rawlplug.

Both companies suggest that Williams' greater financial muscle will help Smallbone expand in the US, where it already has three showrooms - two in Manhattan and one in Beverley Hills.

In the year to end-February, Smallbone made pre-tax profits of £2.1m on sales of £28.4m. Net assets at that date were £1.15m, although the company subsequently raised £2.95m through

WILLIAMS HOLDINGS, the a rights issue of convertible preference shares.

Under the bid, Williams is offering 500p in cash for each ordinary share, and 182p for each convertible preference share. There are loan note alternatives. Shareholders, mainly directors, speaking for 68.5 per cent of the ordinary shares and 59.9 per cent of the fully diluted equity, have given irrevocable undertakings to accept. Shares in Smallbone closed at 487p, up 169p. Williams closed at 272½p, down

Williams' profit before tax of £52.73m in the first half is scored on sales of £400.5m. The figures compare with just £18.1m and £152.4m respectively in the same period a year ago, and partly reflect acquisitions. Lex, Page,16

Canada



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Ulster's traditional linen mills enjoy a renaissance

Development grants have underpinned a series of expansion schemes, writes Alice Rawsthorn

OR the next few months the land around Herd-mans at Sion Mills in County Tyrone will be cluttered with the cement mixers, bricks and drills used in the construction of its new linen

A new factory is a welcome sight in any area of manufacturing in the 1980s, but in Northern Ireland, where the economy has borne the blows of economic recession and Irish Republican Army terrorism, it is doubly so.

Northern Ireland's textile industry was until recently dominated by decline. But the new Herdmans mill, which will cost £17m and create 280 new jobs, is only one, albeit the largest, of a series of expansion schemes throughout the indus-

try.
This resurgence, like so much of Northern Ireland's new-found economic stability, may be jeopardised by the new wave of IRA attacks.

Textiles have been a mainstay of the Northern Ireland economy since the early 1800s when linen mills were built to process the flax grown in rural industry has been stubbornly

Linen boomed during the American Civil War, when the Northern blockade of the Southern ports prevented supplies of cotton from leaving for the mills of Lancashire. In that era, clothing factories sprang up to turn the linen into shirts. The industry then lurched into decline. Linen hore the brunt-its workforce has to 7,000 from 55,000 in 1955 - but other sectors have suffered too.
Today textiles and clothing employ 28,000 people, more than a quarter of Northern

Ireland's manufacturing work-Textiles are dominated by the huge linen mills, Herdmans and a subsidiary of Hanson, and by carpet manufacturers like Coats Viyella and Lamont. Clothing is the province of Coats, Courtaulds and hundreds of these coats. hundreds of other small com-

in the past three years the industry has enjoyed some-thing of a renaissance. Output

IDB g	pants to	o textiles	and clothing !	p N ireland
Asst .	ģ	rants	projects	jobs created
85/86	23	35m	25	1,400
86/87	2	21m	27	1,150
87/88	2/	10m	30	1,750

have afforded the expansion.

The grants have similarly helped to accelerate the expan-

sion of larger local companies.

Mr James Herdman, chairman

of Herdmans, says that the development of its new mill

would have been much slower without the IDB's support. Textile giants such as Coats

and Courtaulds have also used

grants to expand in Northern Ireland Mr Martin Taylor, chairman of Courtaulds Tex-

tiles, says, however, that it

would not invest in Northern Ireland unless a project "made sense" without the grant. Courtaulds regards the grants as "compensation" for the costs and problems associ-ated with manufacturing in Northern Ireland

This surge has been catalysed by support from the industrial Development Board, a Government-funded body formed six years ago. In the past three years the IDB has ploughed £96m - over a third of its budget - into textiles: thereby helping to create 4,300 new jobs.

The development board's assistance varies from company to company. It tends to provide 30 per cent of the cost of new projects or 25 per cent for reinvestment.

These grants have helped small local businesses to diversity. Arthur Johnston, a commission printer in Lurgan, has spent £2m on machinery to Without the grant Johnston, a small family firm, could not greatest problem. Until processing plants.

recently, there have been very few IRA attacks on industrial targets. But the disruption caused to a business by an attack is devastating.

Four years ago the IRA destroyed a Courtsukis clothing factory in Armagh. The Government paid for a shiny new plant. But when it opened, it found that most customers had found new suppliers and its employees had moved to

The other problems in the province are more mundane. Distribution tends to be more costly. Companies sometimes have to airfreight goods, if strikes disrupt supplies. There is also a shortage of

middle management. It is diffi-cult to persuade people to move to Northern Ireland and bright locals often prefer to start their own companies with IDB grants, rather than to work for the giants. There are also advantages

for Northern Ireland manufacturers, however. The long tra-dition of textiles has left a leg-

09h30 Western Areas followed by Elsburg

Share transfer books and regarders 17 to 27 September 1988.

09h00 H J Jost

The overriding advantage is the abundance of labour. Textiles is a labour intensive industry and British firms are increasingly concerned that the falling schoolrolls will hurt the supply of workers. The high level of unamployment in Northern Ireland – now 17 per cent - helps to overcome this

problem. Labour turnover is also lower. A clothing factory in Northern Ireland loses 25 per cent of its amployees each year, compared with 40 per cent in Britain.

The IDB is confident that the present level of expansion can be maintained – although Mr Bruce Robinson, IDB director responsible for textiles, has detected a more cautious approach to investment following the recent infinx of imports from the Far East.

Mr Robinson, however, is undeterred. One of his pet projects this year is to persuade some of the Far Bastern clothing companies to move closer to their European customers: by building new factories in Northern Ireland.

European airlines 'unlikely to form US-style mergers'

By Lynton McLein

DIFFERENCES over the prospects for airline mergers in Europe by 1992, along the lines of the US "mega carriers", emerged as a main theme at the Financial Times conference on Commercial Aviation to the end of the Century, which opened in London yesterday.

Dr Ginter Eser, director-general of the International Air
Transport Association and former member of the Lufthansa

executive board, said that the pressures of liberalisation and the approach of the unified European market were causing arilines to "perceive the need to combine at least to some degree to build the muscle to face powerful US, Asian and Product corriers." Pacific carriers."

There were unlikely to be outright mergers in Europe, however, because of national however, because of national laws governing airline owner-ship. Instead, some airlines were considering buying an equity interest in carriers of other countries within the legal limits, he said. European airlines were also likely to cooperate with each other in joint marketing and fleet use. Mr Peter Sutherland, mem-

her of the European Communi-ties in charge of competition, said the copycat effect of US mergers on European airlies would be independent of the existence or increase in liberalisation within the Community.
"A trend towards increased concentration may occur regardless of further liberalisa-tion within the Community in

tion within the Community in the run-up to 1992." he said.
However, Sir Colin Marshall, chief executive of British Air-ways, disputed the "common feeling", as he called it, that "the big boys will get together to carve up the world."

"My feeling is that it is not going to work out this way; that today's big boys may very wall not only not be tomor-

well not only not be tomor-row's leaders, but that they may be taking a considerably diminishing role on the world

view with considerable suspi-

CONFERENCE

Commercial Aviation

some airlines had bitten off some airlines had "bitten on more than they could chew in seeking to build brand loyalty with frequent flier programmes." Such programmes entitle passengers who have flown a certain distance with any single airline to free or discount travel with the carrier. Such airlines now had huge backloss of customers who backlogs of customers who

travel. These customers may displace fare-paying passengers to the detriment of revenue.

On one estimate, US airlines owed more than 3m round trip

were entitled to free or cut-rate

owed more than 3m round trip
domestic tickets to participants
of frequent flier offers. The revenue loss from US frequent
filer programmes could be as
much as \$940m, he said.
Dr Eser questioned the
extent to which the European
Community would attempt to
negotiate as a single entity
with other countries over trafwith other countries over traffic rights after 1992. This was of particular significance with US negotiations.

Some US airlines carry traffic between European cities, yet European airlines are denied similar rights in the US, an issue which may become important if the EC becomes viewed as a unit.

For EC members, the formation of a single negotiating team would imply the surren-der of sovereign bilateral avia-

tion rights.

The creation of a single marthe creation in a single man ket will have other effects, internally as well as outside the Community. Air transport between EC countries will be treated as "domestic" and will be subject to value added tax. industry stage.

"The theory that those which are presently big will inevitably be the component parts of tomorrow's giants is something which I have to add to the cost of intra when the cost of the munity travel at a time when cion", Sir Colin said. there is strong consumer pres-Dr Eser said that: "In the US, sure for cheaper fares".

Highlights from the chairman's reviews for the year ended 30 June 1988

By K W Maxwell

Randfontein Estates

Severe labour disruptions took their toll on management's shifty to focus on the business of melanining and improving production performance and moder the circumstances the mine did extremely well to mill the total of 7.9 million tons of one relative to the previous year's 7.1 million tons, However, to achieve this it was necessary to mill some 2.4 million tons from surface dumps (1.2 million tons) and the overall recovered grade for the year sveraged 3,17 grams per ton compared with the previous year's 3,78 grams per ton. This meant that the mine produced some 25 051 kilograms of gold compared with \$6 288 kilograms the previous year.

		
	1987/88	1986/87
Tons treated tons Gold produced kg Recovered grade gt Revenue R million Working costs R million Tax R million Tax R million Capital expendituse R million Earnings per share after tax cents Dividends per share cents	7 911 000 25 051 8,17 772 505.0 21,9 266.5 189,4 4 359 1 150	7 054 000 26 268 3,73 765,4 394,6 386,7 235,5 5 508 1 750

The level of underground production for the month of June 1988 showed a 24% increase over the production levels in November/December 1987. Some 70% of this came from trackless mechanised mining methods. During the same period the productivity of underground employees increased by more than 14%.

The grade from underground continued to decline over the course of the year. The average grade for the year was 4,87 grams per ton compared with 4,36 during the 1987 financial year and 5,05 grams per ton in the 1986 year. The decline in grade however is in part due to the mining of a greater proportion of wider reefs which the mine is able to do by using trackless mechanised methods.

Working costs

The cost per ton milled increased by 14% to R63,84 but because of the lower grade the cost per kilogram produced increased by 34% to

Shaft staking

Plans are under way to design and develop a shaft system known as Doornkop 2 that will enable the mine to exploit the South Reef which lies some 1 000 metres below the Kimberley Reef that is contently being mined through Doornkop 1 shaft. It is envisaged that the new shaft system could be commissioned towards the end of this century so as to enable overall production from Randfontein to be maintained at 650 000 tons per month as the production from the Cooke shaft systems starts to decline.

Safety It is very pleasing to report that during the year Randfontein won the C S McLean Shield for safety in the gold division of the mining industry. This is the premier award for achieving the lowest casualty rate over the past three years. The mine also achieved its thirteenth million fatality irce shifts. There is no doubt that the introduction of trackless mechanised mining methods and participative management has resulted in much improved safety conditions and it is anticipated that with the introduction this year of special roof-botting machines the quality of support will further reduce the falls of ground.

New developments

To enable Randfontein abareholders to focus specifically on their valuable and extensive gold exploration interests, a separate quoted company was established, Bernato Exploration Limited, known as Barnex, that will provide interest free loans to Randfontein to enable the company to finance its exploration activities which are undertaken jointly with JCl and others. Expenditure under this heading rose dramatically with JCl and others. Expenditure under this heading rose dramatically to E22 million last year and has become a significant deployment of your company's cash resource. The new arrangement will entitle Barnex (whose shareholders are initially the shareholders of Randfontein) to 80% of any benefits that flow to Randfontein from its exploration activities. It is proposed that Barnex will raise R75 million in order to meet its loan commitments to Randfontein in terms of this new arrangement.

The feasibility of resuming sold mining operations in the remaining reserves of the old Randfontein Section has been examined from time to time during this decade. Some of these reserves have been influent to an outside party that is carrying out mining operations at present. The question of how best to realise the balance of the assets in this area for the benefit of Randfontein shareholders, led management to the conclusion that the area should be floated off separately under the name of Lindum Reefs Gold Mining Company Limited and that the reserves abould be turned to account by a small independently managed and self-sufficient mining operation. It is envisaged that the mine should produce approximately 30 000 tons of one per month and that a dedicated carbon-in-pulp metallumical plant should be established. The average recovery grade for the first nine years is expected to be 2,9 grams per ton and for the following eight years 3.6 grams per ton.

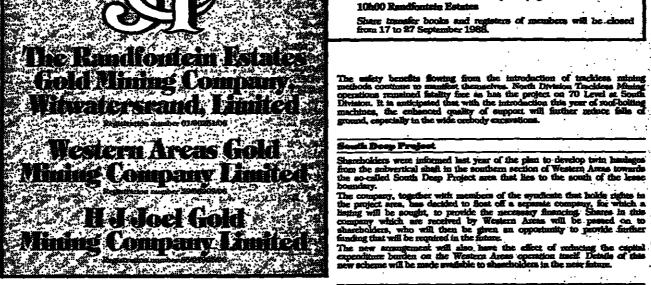
It is estimated that at current gold prices this operation could generate a

ton and for the following eight years 3,6 grams per ton. It is estimated that at current gold prices this operation could generate a positive cash flow during the second year of production and a reasonable level of profusibility should be sustained thereafter. During the year Randfontein entered into an agreement with Venterspost Gold Mining Company in terms of which Randfontein will cade certain portions of its off-lease mineral rights west of the Cooke Section so as to enable Venterspost to extend its mining operations. Randfontein will be contributing 26,5% of the mineral rights associated with this extension in return for which it will be issued with deferred shares in Venterspost.

Gutlook

The prospects for Randfontein's future are very much improved now that stability and high morale has been restored in the labour situation and in view of the improved productivity that is coming from trackless mechanised mining methods. It is hoped that during the 1989 financial year overall grade recovery will advance to soproximately 3.5 games per ton and that total underground tomage will increase to 680 000 tons per month before the end of that year. The increased production from underground will come largely from the Doornkop section.

Capital expenditure for the current financial year is currently expected to be of the order of R150 million.



Industrial relations

During Angust last year management decided to arrest the deteriorating industrial relations situation by radically altering its management style. A programme of participative management that enables all employees to make their own contribution to the enhancement of the mines' operations and to receive recognition therefor, was initiated it is envisaged that this programme will require a good two years to implement fully but I am happy to report that already it has made a major impact on the morale and enthusiasm of employees of all races and work categories.

terms of this approach, senior mana

In terms of this approach, sentor management, middle management and supervisors are encouranged to consult with employees right from the lowest levels upwards in order to establish what problems they are experiencing and what ideas they have for "doing the job better". The obvious goal of this system of management is to encourange all employees throughout the organisation to work haumoniously together, to recognise the organisation to work haumoniously together, to recognise the dignity and pride of each individual and to develop trust and respect of all, hrespective of status.

Indeba groups are established at each work piace and within the hostels to encourage this joint communication exercise and it is incumbent on each supervisor or line manager to see that the problems and ideas raised are dealt with effectively and at the endiest possible opportunity. Monetary rewards are made for particularly good ideas and additional payments have been said will be made to all employees across the mines in recognition of the improved results. The overriding principle is that employees should not only enjoy the embanced pride of participating in management decisions, but that they should also participate in the benefits realised and it is the policy of management to shame with the employees the enhanced fortunes of the companies.

Thus far there has been a very positive response from employees at all levels and morale on the mines has certainly improved enomously as employees of all races move towards the realisation of their productive potential.

Western Areas

the analysis of the second of the second

Western Areas sustained a loss of some R3.4 million for the year under review compared with last year's profit of R51,8 million. The tomage milled from underground declined by 4,0% to 3,51 million tons. The unit costs per ton increased by 11,6% to R109,34 per ton miled while the cost per kilogram increased by 25,9% to R38 383 owing to the lower recovery grade achieved.

Strict control was applied to the rate of capital expenditure and as a result the amount spent during the year under review was R36,1 million (R58,1 million) which compares with the forecast of R57 million. Capital expenditure for the current year is presently budgeted to be R38 million.

	1987/88	1986/87
Tons treated	8 609 000	3 819 000
Gold produced	12 186	14 547
Recovered gradegt	3.88	8.81
Revenue R million	872.4	400.6
Working costs R million	394.6	874.1
Tex R million	_	2.4
Profit (lose) after tax R million	(3,4)	2.4 49.4
Capital expenditure R million	. 86.1	58.1
Earnings (loss) per share after tax cents	(8,4)	128,4
Dividends per share		16
Operations		

Two fires occurred during October and December in the raffi sub-station in the north plant and resulted in a loss of some 13 days of production at the the north plant and resulted in a loss of some 13 days of production at the plant. This adversely affected production from underground in the north section as one passes could not be cleared. In addition there were several plant stoppages during the year due to mechanical and electrical failures.

The decline in grade was partly attributable to lower stoping grades generally and also to the mining of multiple necks using the trackless mechanised mining method. One from the Middle Elaburgs has been mined for many years from an extensive tract of ground which was reasonably stable both in terms of grade and structure. This ground has now been largely worked out and the current Middle Elaburg exploitation is taking place in areas that are typified by narrow one shoots.

The mechanised mining process continued to purple the built of the one

typmen by namow are shown.

The mechanised mining process continued to provide the bulk of the are mined and increased manginally to some 78% of the total tona mined from

ware introduced during the year to improve the head grades for annual developing into higher-grade areas and this is meeting with some success.

During the year the delly underground pumping rate decreased from 120 megalitres per day to 90 megalitres per day. It had been anticipated that this rate of devasteting would have decreased further but in Jamus/Nebmary the heavy rains gave rise to considerable quantities of water entering the Gemsbohfostein compartment durough sinkholes.

Trackless mining operations have now commenced in the western dewatered zones on a limited scale and will be increased gradually over the next year.

The mine experienced a mixed safety record during the year. Accidents due to fells of ground were reduced by 48% and truck and transway accidents fell by 88%. However the famility rate worsened by 47% and the mine recently lost two of its five stars in terms of the new Chumber of Mines Mine Safety Manufact Safety

Creation of professor shares Special resolutions will be put to the annual general meeting of shareholders in order to enable your Company to increase the authorised capital from R41 million to R42 million by the creation of 100 million preference shares of 1 cent each. The new shares will broaden the range of financing facilities available to the company.

Shareholders were informed last year of the plan to develop twin has from the subvertical shaft in the southern section of Western Areas to the so-called South Deep Project area that lies to the south of the boundary.

During the last quarter of the year under nexten there was a popular improvement in the mine's results. A profit before tax for that quarter of R11 million was achieved. New mining areas have been identified and six now being brought into production. Additional target mining areas have been identified and first-being taxon have been identified and first-being taxon have been identified and first-blifty studies are in hand. A lot of attention has also been identified and investment of the manufacture of the production and I hallo the date. given to improved maintenance of the metallurgical plants and I believe that all of these actions, together with the benefits being realised from the participative monogeneous programme, will ensure a much improved attention for the year ahead.

Joel

Good progress has been achieved during the 1988 financial year on the construction and overall development of the H J Joel mine. The No. 3 and No. 4 shafts were commissioned at the end of July this year in accordance with the programme. The first pinase of the menillargical plant has been commissioned and trial milling has proved to be very satisfactory. Some 38 kilograms of gold were produced and the revenue from the sale of this gold, which amounted to RLOS million, was credited to the capital expenditure account. The overall infrastructure for the mine has developed according to plan. The geological structure of the one body in the southern area of the mine (which is the upper portion) has been the one factor that has adversely affected progress. The structure as it has been exposed to dute from the Nos. 3 and 4 shaffs is more complex than was originally projected from the exploration drilling programme. The average gode of gold sampled over the 1.846 metres of rest development for the year has been RLO games per ton, and the width of the rest has average gode of gold sampled over the 1.846 metres of rest development for the year has been RLO games per ton, and the width of the rest has average gode of gold sampled over the 1.846 metres of rest development for the year has been RLO games per ton.

The parameters incorporated in the original familiality study that famed the basis for deciding to proceed with the H J Joel mine, were based on conventional mining methods. Subsequently a more optimistic familiality study was motivated using parameters applicable to the mining of Joel entirely by trackless mechanised mining methods. This lattic study showed substantial benefits relative to the original familiality study – primarily because of the much pedaced axed for waste development in favour of need development — and planning on this basis was consequently adopted. Shaneholders will be aware of the fact that due to the familiag and narrow rest widths exposed thus far in the apper portions of the min, the date

Anticipated recovery grade

The recovery grade from the onebody as a whole was originally estimated at 5.4 gamma per ton for the life of the mine. However, it was expected that games in the upper portion of the mine would be substinctially higher than the average for the mine. This has not yet materialized. The recovery grade for the upper portions of the mine is now estimated at 5.6 gamms per ton. The geologists are satisfied that conditions will improve as mining progresses down dip. In the light of the development results to date they are confident that in view of the high gardes that are being accounted in the narrow met channels, the mechanisms of gold concentration will prevail and that, as the rest widens out, satisfactory grades will be resined.

It has been decided to drill a further six boreholes from surface and the It has been decided to della a further etx boucholes from surface and the results of these boucholes should become svalable by the end of the first calcular quarter in 1969. Furthermore, development of twin laminges to the east and west of the shaft system has commenced in order to gain knowledge of the geological structure and value distribution across the full strike of the outbody by means of underground borcholes.

Crystal expensions

During the year under review capital expenditure amounted to R178 million (R214 million) compared with the planned expenditure of R218 million. For the current year capital expenditure is forecast to be R108 million. Accordingly it has been decided to postone Phase 2 (which is designed to increase the rate of production from 30 000 tons per month o 120 000 tons per month until each time as the cash flow from operations can support such further capital expenditure.

Operations

The current production plan indicates the mine should mfil some 260 000 tons of one during the 1989 financial year and that this will increase to some 740 000 tons charing the following financial year. The safety record of the mine has thus far proved esthelicitory despite the intersection of considerable quantities of methans and the potential hazard of intersecting water.

Ordlook

Progress is still within the original leashfilty study parameters and our technical consultants are confident that the anticipated average guide for the mine will be achieved. It is noteworthy that to date only some 1% of the orebody has been exposed and while guides in the upper portion of the mine have not reflected original expectations, there is considerable evidence that mining conditions will improve as development progresses further down dip. The vacidess mechanized mining approach cashbes the mine to follow the rest more easily than it would have been able to do by conventional mining methods and this will help to produce more rest tons in these easily stages of the mine's life.

Leyland truck output doubles under Daf

before last year's takeover. The new output level of 68 trucks a day achieved this

week, up from 59, is lifting the plant's annual production to 16,000 units, compared with 8,000 in the year before the Anglo-Dutch company was formed in May last year. It is the third time that output has been raised gives the arrest of the state of the state

free more capacity for its pre-mium 95 truck, voted this year's European "Truck of the Year."

trucks operation had been losing £1.5m a week. The British
Government provided the
finance for a deal under which
Leyland and the Freight Rover
van operations were merged
with Daf, but Rover Group
retained a 40 per cent stake in
the new commany.

greatly underestimated the size
of this year's UK trucks market. It had been expecting
the figure to be closer to 66,000

— the largest number since
world truck markets practically collapsed in 1980.

In the first seven months of
this year, sales of trucks

57.6m (£16.7m), compared with 41.553 in all of 1987. a net profit of F1 63.lm for all
of 1987.

At this rate of growth, the 40
per cent stake in Daf now

next year.

Leyland's performance was made possible by the UK Government injection of 2875m into Rover Group early last year, much of it to clear Leyland's debts and to fidy up its balance before it was passed on "But if the current government modicy works and consumer results of the same of the consumer series of the current government modicy works and consumer results."

at the start of this year that the UK truck and van businesses had been operating profitably from the day of the take-

Mr Christopher Thorney- much.

Leyiand Trucks plant in Lanca-shire - now part of Def of Hol- John Griffiths looks land - is making trucks at at the improving double the rate immediately fortunes of a British fortunes of a British truck maker

formed in May last year. It is the third time that output has been raised since the new company was formed.

Later this year Daf is also to transfer to Leyland the productions of the production of the productin tion of 1,000 Daf 1900 heavy work in the UK. Now we have trucks a year from its main a strong network of 57 dealers facility in Eindhoven. This will and a further 12 are being recruited specifically to handle

ear's European Truck of the like every other UK-based truck maker, Leyland Daf Before the takeover the greatly underestimated the size

retained a 40 per cent stake in the new company.

The agreement also meant the closure of two other Leyland plants and threatened more than 700 jobs. However, 300 of those jobs were secured when production moved up faster than expected and the company is taking on a further 100 workers to cope with the latest production increases.

In the first seven months of this year, sales of trucks of more than 3.5 tonnes have reached 37,175, up 15.6 per cent, of which market leader cent share, with Leyland Dafincreasingly hard on its heels at 22.5 per cent. Meanwhile, some 3,000 Leyland Roadrunner light trucks and Freight Rover vans, rebadged as Dafe. workers to cope with the latest production increases.

Although Daf BV, the parent company, is not providing separate financial figures for the UK operations, they are understood once again to have contributed significantly to a further sharp increase in Daf profitability.

Daf announced a first half consolidated net profit of F1

consolidated net profit of FI half of this year, well up on the

course for a London Stock be a very good investment, pos-Exchange flotation "within the sibly covering much of the forseeable future." Many ana- £150m cost to BAe of buying lysts expect it to take place Rover Group itself.

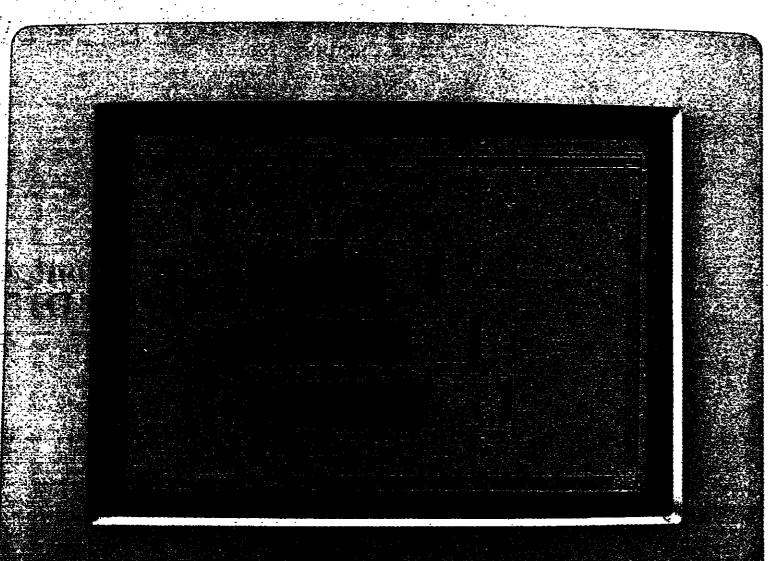
Nevertheless, Mr Aart van spending does take a dive then der Padt, Daf's chairman, said it's going to slow the truck

not care to predict by how-

Conclusive proof that Apples are good for you.

The well-respected Gartner Group recently published a report on the role of the Apple Macintosh in business.

burdened, five-year life cycle cost per user that is 13% less than that of an all-IBM environment.



This worked out at a saving of £810,000 over five years.

Standardising on Macintosh would cost 28% less, saving £1.8 million over five years.

KPMG Peat Marwick carried out a survey which highlighted some of our other strengths.

They found that people using Macintosh were actually up to 24% more productive than their IBM counterparts.

The main reason for this is Macintosh's system of easily understood words and symbols such as files, folders and menus which, with the help of a mouse, speeds and simplifies operating.

So no matter what software is being used, there's a consistent vocabulary and methodology to work with. All of which makes it easy to switch from one program to another.

A fact which was demonstrated in another recent in-depth study. This proved that training costs on Apple Macintosh are 60% lower than those of IBM or other MS-DOS computers.

Furthermore, they found that only half the time is needed in support. For full details dial 100 and ask for Freefone Apple.

We rest our case on health and wealth in business.

Apple. The power to succeed.

It demonstrated many of the reasons for our increasing share of the pie.

For example, an Apple Macintosh was shown to cost 28% less to run than an IBM PC over five years. That worked out as a saving of almost £3,027 per user.

The Gartner Group's report also demonstrated that even in a mixed IBM/Macintosh environment, computing costs could be dramatically reduced.

They estimated that a company with 600 personal computer users (half IBM and half Apple Macintosh) will have a fully

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THE VOYAGE of the Karin B and its deadly cargo of waste chemicals has brought into focus the fragmented nature of toxic waste management controls in Britain and the lack of effective penalties for almse.

The unspecified shipment, which analysis has shown conwhich analysis has shown con-tains polychlorinated biphen-yls (PCBs), can only be safely dealt with through incinera-tion at high temperatures. Four British sites are equipped with incineration plant sophis-ticated enough to deal with it but even this excellent. but even this employs low technology compared with that available elsewhere in Europe and the US. Waste Management, the larg

est US waste disposal company, has what the industry recognises as the state of the art fully automated plant in Rotterdam but this is not yet variable in this country available in this country.

Mr Geoff Mills, manager of

the environmental services division of Mott Hay and Anderson, engineering and environmental consultants, said the industry was looking for government guidance on future legislation to decide whether it should embark on the investment of between £20m and £30m in up-to-date

"If standards remain the same, companies who under-take such investment could be bankrupted by those who can offer a cheaper service. They need to know that the regula-tions and enforcement will be strengthened to merit the investment," he said.

The Government has faced riticism from within its own Hazardous Wastes Inspectorate for failing to bring itself into line with the rest of the European Community on regula-tions. Mr David Mills, who heads the inspectorate, has



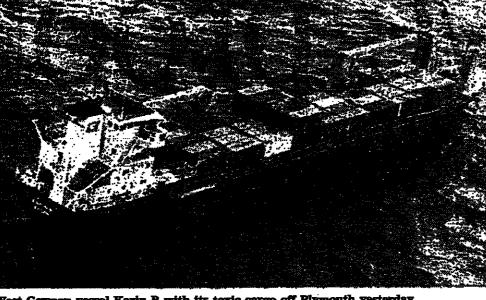
just resigned to go into the pri-

vate sector. "He was sick and tired of banging his head against a brick wall," a scien-tist in the industry said last

week.
The intervention by Mrs Virginia Bottomley, the Junior Environment Minister, to bar the delivery yesterday of the toxic wastes carried by the Karin B has masked the fact that it was only the action of port health inspectors worried about the effects of offloading the cargo that prevented its entry into the country.

Had the cargo arrived it could have gone to four possi-ble sites. Leigh Interests, the West Midlands waste management company, which has an incinerator at Killarmarsh had expressed an interest. The others are those of Re-Chem at Southampton and Pontypool and Clearaway which has an incinerator at Ellesmere Port. If analysis had found that the waste was suitable for ifying it could have gone to the Cory Waste Management plant at Thurrock or another Leigh Interests plant. Both are equipped to mix the waste with a stabilising concrete solution although that is unlikely to ave been used with the Karin

There are 550 landfill sites in Britain licenced to take some form of hazardous waste under the special regulations of the Control of Polintion Act 1974, and 83 per cent of toxic waste



West German vessel Karin B with its toxic cargo off Plymouth yesterday

is still deposited in landfill

The benchmark of toxicity is that the substance must be suf-ficient to kill or injure a child weighing 20kg if he was to swallow 5cc of the material, or "equivalent to three fruit pas-tilles," according to Mr Jeff Cooper, waste reduction officer at the London Regional Waste Authority.

Mr Cooper said the move-ment of toxic waste in Britain was controlled by the consign-ment note system which involved the use of six copies of the delivery note kept by the producer, the carrier, the waste disposal company and the waste disposal authorities in the area of origin and delivery.

Not every consignment is increased because with it is a

Not every consignment is inspected, however, and it is a standing joke in the industry that the biggest toxic waste dump is the M1 motorway. It only needs someone to leave the cap off the tank for a steady stream to spill out along the matter leaves the rest the route, leaving less to pay for at the end," said one indusfor at the end," said one mans-try source yesterday.

The Karin B cargo was big business for the incinerator companies which could have charged between £1,000 and £2,000 a ton for dealing with the waste, valuing the cargo at

While the British plant can take the highest level toxins it can still not guarantee to main-tain the crucial burn tempera-ture of between 1,050 and 1,200

degrees centigrade to prevent the emission of dioxins into the atmosphere. A barrel of liquid toxin can act like wet leaves on a garden bonfire, effectively damping down the flames. The latest equipment developed by the Swiss takes exhaust gases through a secondary heating process to make sure they had the full heat treatment.

The lack of inspectors – the Hazardous Waste Inspectorate has a team of five – means that it is impossible to police every site. The discovery of heavy metals in water outflows into the North Sea show that toxic waste still finds its way on to many of the 5,500 waste disposal sites for conventional

waste in the country.

Mr Mills said: "In Canada Mr Mills said: "In Canada they have waste treatment plant that has been so successful that it has led to a reversal of the not-in-my-back-yard policy, and there is no reason why we should not have that here. The annual report of the Hazardous Waste Inspectorate for 1986-87 drew attention to the steep rise in imports of

the steep rise in imports of chemical waste to Britain and the difficulty of keeping track of it. In that year \$3,000 townes of hazardous waste was imported, more than double the 25,000 tonnes in the previ-ous year. The Institution of Water and Environmental Management, which represents professionals in the public and

used Dutch **N-fuel**

By David Fishlock, Science

THE PORT authority at Lowestoft, Suffolk, has refus to handle spent nuclear fuel from the Netherlands, destined for the nuclear reprocessing factory of British Nuclear Fuels at Sellafield, Cumbria.

The decision follows objections by dockers. The author ity, however, cites operational difficulties and not safety as the reason it will not handle more of the 30-tonne spent fuel

Only one flask has been handled by the port, but Goole Harbour on Humberside had previously refused to handle the Dutch fuel.
BNFL said it was disap

pointed by the decision of the two North Sea ports, but imports of spent fuel from the therlands amount to only 2 or 3 per cent of the total it was nporting for reprocessing. Nearly all of it arrives at Barrow in Cumbria, close to

the factory.

The Dutch fuel comes from the small Dodewaard reactor, arriving in shipments of about a tonne, in an armoured steel flask weighing 30 tonnes. The flasks are expected to arrive at the rate of about 10 a year, the

BNFL has previously used ports on the south and east coasts of England to handle spent fuel from its European customers, which include Bel-gian, German, Swiss and Ital-

headed for the Spanish port of Cadiz where she docked on Angust 14. Spanish authorities are said to have been unhappy with a ship carrying toxic waste in their port and asked the Karin B to move on.

WHEN THE row about Italian companies sending toxic waste abroad broke out last May, the only thing the Italian Government would agree upon was that the contaminated material would have the removed from Koko beach in Nigeria.

However, none of the three Italian ministries involved was willing to take responsibility for arranging that. Only when the Nigerian Government threatened to break off

ment threatened to break off diplomatic relations with Italy

It hired two German shine the Karin B, now all the Brit-ish coast, and the Deepesa Car-rier. No decision, however, was made as to the final destiwas mans as to the man quatrastion of the wasts.

The Karin B left Italy on June 28 and headed for the Nigerian port of Once, where it arrived on July 14. Shortly

efter that, it moved on to Koko beach.
The ship left Koko port with an undisclosed amount of the toxic waste on board on July

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B to move on.

Italian authorities were in the process of making arrangements for the ship to dock at the Italian port of Ravenna when the local populace

There have been reports that

There have been reports that the West German Government also refused to receive the Karin B, but German authori-ties have denied being approached by the Italian Gov-

Although the ships carrying the wastel are registered in West Germany, the German Government is treating it as an Italian issue and refusing to make anylogical comment.

The Deepsta Carrier is now reported to have left Nigeria with more of the toxic waste

ted a protest.

carrying unspecified but appearently dangerous waste material dumped lilegally in Nigeria by an Italian company.

"The United Kingdom has rigorous laws governing importation of dangerous wastes: under our law, dangerous wastes: under our law, dangerous waste can be imported only if the exact composition of the waste has been established."

The Minister added: "This is not the case in this situation, so it cannot be legally

Import of contaminated cargo 'illegal'

Karin B cannot legally be imported into Britain, Mrs Virginia Bottomley, junior Envi-ronment Minister, said yester-

After talks with departmental officials, she said the mat-ter was "essentially an Italian problem." She discussed the issue last night with Mr Boris Biancheri, Italian Ambassador. She said she had reviewed the situation of the West Ger-man-registered ship Karin B,

some of the waste on board the vessel originated from Euro-

Trade-offs in poison and poverty Africa is ambivalent about dumping, reports Our Foreign Staff

ing money? Hazardous/ taxic waste a billion-dollar-a-year business. Think about this! No experience necessary. No equipment needed. No educational requirements.

That recent advertisement in the International Herald Tribune highlights the growing international nature of the toxic waste trade.

It makes clear that you do not need intelligence, know-ledge or skill to become a toxic waste merchant. What you may need, however, is ruthlessness and greed - because it is a trade that rakes in huge prof-its from the exploitation of

ian dockers were rushed to hospital after coming into con-tact with secretly dumped waste at Koko in Bendel state. Waste also pollutes the atmosphere and can be lethal if it ets into the food and water

Even so, there is evidence that some Third World states. desperate for hard currency, have been tempted into collud-ing in massive dumping

For the waste traders, the profits are vast. The cost of dumping in Africa can be as little as one thousandth of that in the more ecologically con-scious West, where the increasing power of environmental groups and the growth of "green" consciousness has meant that the waste can no longer be disposed of locally without being specially treated at great cost.

For the governments that

agree to accept waste there is the promise of some respite from deprivation, dependence and debt.

The recent discovery of secret toxic waste dumps in Nigeria, Sierra Leone and Guinea and the disclosure of contracts involving the export of more than 20m tonnes of toxic waste to Africa confirmed that the world's poorest continent had become the new cen-tre for the waste-trafficking

Africa itself has reacted angrily to being used as a waste dump. The Organisation of African States moved to try to quash the trade at its las summit, while the Non-Aligned Movement condemned the practice as "a most callous one in that it takes advantage of poor economic conditions in African states."

In spite of the rhetoric, some African states seem to be displaying a distinctly ambivalent In Benin the government regotiated a bilateral deal with

the French government to import radioactive and industrial waste in return for a \$1.6m (£950m) downpayment and 30 years' economic assis-

In Guinea-Bissau the local authorities agreed to store 15m tonnes of toxic waste over five years for \$600m — three times the country's total gross national product. Mr Jim Vallette, Green-peace's international cam-

paigner on the waste trade, believes impoverished and debt-ridden African states may find it hard to resist the enormous sums of hard currency offered in return for mortgag-ing their environmental future. He says: "As regulations tighten in the West, Africa becomes ripe for exploitation by greedy waste traders and irresponsible Western governwith hureaucrats in govern-ment offices in Africa and are ments. The amount of money involved in the trade is very

myolved in the trade is very seductive to poor countries."
The Organisation for Economic Co-operation and Development estimates that in 1967 waste disposal was a £13bn-a-year business dealing with 300m tonnes of toxic waste.
It defines hazardous wastes as "wastes which it improve-

as "wastes which, if improp-erly managed, could harm man-and/or the environment

a trade that rakes in huge profits from the exploitation of sive, explosive and combustion of the dumping sites in the By that definition, wastes can be anything from containing toxic waste is extremely dangerous. Recently, three Nigarpharmaceutical companies to the by-products of the fertilizer industry.

willing to make certain pay-ments." Large profits can be made. In Europe, waste disposal can cost as much as \$3,000 a tume;

con as much as \$3,000 a unme; in Africa as little as \$2.50. Greenpeace claims the discovery of toxic waste damps in Africa over the last two months is merely the "tip of the toxic icaberg." It says illicit dumping in the Third World has been going on for years undetected.

However, there has been a noticeable upsurge in the trade this year. According to one titles of toxic-waste safely. In official of the US Environment. Rights of toxic-waste safely. In the Protection Agency (EPA), the lack of the most haste there have been smooth waste as protective at to ship hazardous waste thom America to Africa in the last few months than in the last four years.

last four years. For the first time, an inter-national inventory of toxic

Many countries have tradi-tionally relied on exporting their wastes because legal dis-posal in a foreign country may be less expensive than at home or because there is no local dis-posal capacity.

They for example, currently under the international spot-light because large quantities of its waste have been discov-ered dumped in Nigeria, and Lebanon, has a domestic capac-ity to deal with only 15 per cent of its waste.

cent of its waste.
Much of the trade in waste destined for cheap dumping sites in the Third World, mostly in Africa, is conducted stinely. Toxic commodity brokers operate in the shad-

raltar, the lale of Man and They buy and sell the waste like any other commodity. However, as the original pro-

ducer has no binding responsi-bility for its final destination, it is traded as a liability rather than as an esset.

As it passes through differ-ent hands the price of the vol-

Eventually the waste is bought by a broker who has gotiated a site in Africa, either with willing government officials or enthusiastic local Often the consistentent will

different companies. With such a load, the broker can exploit the cost of cheap bulk transport to ship the cargo to its final destination. The destinations of the ships

are often obscured and the cargo misrepresented as building materials or fertiliser.

Mr Michael Yokowitz of the OFCD describes the trade as let's all get rich quick."

rent a ship, hire a crew and you can retire early.

They are quite at home dealing

trading has been compiled, list-ing 115 active contracts.

versy to blow over.

Even so, international environmental agencies are continually surprised at the way man-made mountains of muck can suddenly appear as if from

the 625 bags of waste discovered dumped near Freetown in Sierra Leone this month. The most disturbing was the uncoy-ering of a toxic dump site in Nigeria — part of the waste from which is now on the Karin B.

lagers about its toxicity.

The shipment had been imported from Italy into Nigeria by entrepreneurs using forged cargo papers and import permits. Koko port officials were said to have been bribed to turn a blind eye.

named several European companies suspected of producing the waste, including the West German chemical giant Hoechst. Hoechst denies that "It's

completely impossible fordrums of waste produced by Hoechst to be sent to Africa. The only possibility is that someone has used some of our drums without our permis-

At present, international law bans the dumping of toxic-waste at sea but not its export

The European Commission has drawn up two directives that would compal exporters of dangerous waste to get the prior consent of the importing state and ensure that they pos sessed "adequate technical capacity for the disposal of the waste under conditions presenting no danger to human health or the environment."

Community countries, Beigium and Denmark, have made the directives law. Environmental

infractions proceedings against seven member states for fail-ure to implement community

programme, is drawing up a global convention that should be ready for signing next

Opposition to further regulation is expected from some Employing disper that view the waste frade as no different from any other.
Such a view, according to Friends of the Earth campaigner Mr Andrew Lees, risks sacrificing the Third World on

Environmental groups argue lete ben on the trans-frontier

that position. For several years the EPA has given incentives to industry to reduce the poisons it produces. This month a bill was introduced into Con-gress to tan all exports of dan-gerous waste.

in haming toxic waste exports is growing; because many see the trade as a toxic time bomb that could explode into a for-eign policy disaster. They are sensitive to African public opinion which resents the trade as a new form of imperi-alism and aware of the diplomatic consequences that might result from an environmental

The strained relations between Nigeria and Italy

bill, Senator Bob Kasten said: "You can't build a house on a heap of sand and you can't build an ally on a heap of toxic

the costs of toxic dumping out weigh the benefits. They're thinking: is the game worth the candle? As publicity and moral outrage grows and as their nationals are threatened with imprisonment and execution, eventually they will be

COMPANY NOTICES

& National Westminster Bank PLC (Incorporated in England with limited liability)

Issue of U.S.\$ 500,000,000 PRIMARY CAPITAL FRNs (Series "C")

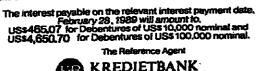
In accordance with the provisions of the Notes. notice is hereby given, that for the three months interest period from August 31, 1968 to November 30, 1968 the Notes will carry an Interest Rate of 87% per annum.

The interest payable on the relevant interest payment date, November 30, 1988 against Coupon No.12 will amount to U.S.\$224,34 for Notes of U.S.\$ 10,000 nominal and U.S.\$2243,40 for Notes of U.S.\$ 100,000 nominal. **KREDIETBANK**

NATIONAL BANK OF CANADA

IA bank governed by the Bank Act (Carada US\$ 150,000,000 Floating Rate Subordinated Capital Debentures

Due 2087 In accordance with the provisions of the Debentures, notice is hereby given that for the six month interest period from August 31. 1988 to February 28, 1989 the Debentures will carry an interest rate of 51/4% per annum.



KREDIETBANK S A LUXEMBOURGEOISE



ESCOM Electricity Supply Commission

ECU 50,000,000 Floating Rate Notes due 1990

In accordance with the terms and conditions of the Notes, notice is hereby given that for the interest Period from August 31, 1988 to November SO, 1988 the Notes will carry an interest Rate of 81/6% per annum.

The interest payable on the relevant Interest Payment Date, November 30, 1988 against coupon Nº14 will be ECU 20.38 per Note. KREDIETBANK

KUWAITE ASIA BANK CC USD40,000,000 FLOATING RATE CERTIFICATES OF DEPOSIT 1987/89

MELON BANK NA USD250,800,000 FLOATING RATE

CLAL FINANCE N.V. US \$20 MILLION GLARANTEED RLOATING RATE NOTES 1994 The interest rate applicable to the above Notes in respect of the period commencing 31st August 1966 will be

NK LEISHI (UK) PLC

ANNOUNCEMENTS

Mr. Peter L. Saunders

W.I.M. Turner, Jr., Chairman and Chief Executive Officer of Consolidated-Bathurst Inc., has announced the election, consolutated Bathurst is a major pulp and paper and packaging organization, headquartered in Canada, and parent Company of the Bridgewater Paper Company Limited, the largest newsprint producer in the U.K.

CHEMICAL BANK LONDON

SUBORDINATED CAPITAL NOTES DUE NOV 1800

commencing 31st August 1966 will be 9465 per ansum.
The interest amounting to US \$49.65 per \$1,000 principal amount and US \$495.49 per \$10,000 principal emount of the Notes will be paid on 28th February 1989 against presentation of Coopen No.4.

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COMBOLIDATED-BATHLIBRAT INC. DIRECTOR

at the Company's 56th Annual Meeting, of Mr. Peter I. Saunders to the Company's Board of Directors. Mr. Director of Associated Newspapers Holdings p.l.c. Consolidated-Bathurst is a

LEGAL NOTICES

BRADWAY FARMS LIMITED Registered sumber: 14500ts Neture of bis peat: Dairy Fermers Trade classification: (Date of appointment of joint administrati-receivers: 22 August 1969 Name of pera appointing the joint administrative receiver 22 August 1966 Name of person appoint the joint administrative reservers: Nation

David John Stokes and David James Waterhouse John Administrative Receivers (Office bolder numbers 300 and 486) Cark Guilly 2a The Ropswalk Motingham

The insolvency Act 1986 . the matter of Colt Computer Sy red No 1544463 resultants and age Trade classification

Buffit Kumar Single FCA

PERSONAL

OBITUARIES

David Lancaster Wetton MBE For over 25 years

Commercial Attaché at

the British Embassy,

Bern, has died in

Switzerland.

CLUBS

policy on tair play and raise Supper from 10-8-30 am, Disc

Dumping in Africa can cost as little as one thousandth of the price charged in the West

be a hotch-potch of various wastes brokered from several

He says: "It's easy, anyone could do it: You register a private company and buy the waste with no questions asked. Then you find a dump site.

These brokers are not sc much cowboys as gentlemen cowboys who see the opportunity of making a fast back. ing 115 active contracts. Among them are multi-million-dollar deals, negotiated between private rate jetdlers and African governments including Guinea-Bissau, Congo, Equatorial Guinea, Gabon, Benin and Niger. In the glare of international publicity, many of those governments.

publicity, many of those gov-ernments have either said they are reconsidering the deals or have denied their existence. The toxic commodity traders themselves are said to be lying low, waiting for the contro-

The most recent of these was

The 3,800 tonnes of highly poisonous wastes, including potentially lethal polychlorinated hiphenyls (PCBe), were discovered stacked in drums on an open site in Koko. No attempt had been made to treat the waste and no warning had been given to local vil-

The Nigerian Government

However, only two European

ing new steps, including clos-ing the bopholes in the exist-ing regulations and taking infractions proceedings against

A similar attempt to regulate the trade is being made by the United Nations which, under the aegis of its environmental

a toxic altar to free trade." that to regulate the trade is to legitimise it and make it more respectable. Instead, the West should be considering a commovements of toxic waste and the development of alternative technology to reduce the amount of waste produced.
The US is working towards

American political interest

since the dump was discovered at Koko has reinforced that In a recent debate on the US

4rash.3 However, European governments are lagging behind the US. According to Mr Yokowitz they are considering whether

A new generation begins to make its mark

By Carla Rapoport, in Tokyo

tive is, the more likely he will begin the conversation, regardless of topic, with a monologue that begins: "After the war, Japan was a very poor country. "There is nothing to be done about this phenomenon; it is simply something to be endured, part of the rigours of doing business in Japan.

nomenon that will last forever. A new ing profiles illustrate, they see Japan tive is, the more likely he will begin the conversation, regardless of topic, with a monologue that begins:

"After the war, Japan was a very poor about this phenomenon; it is simply someabout this phenomenon; it is in the making. They were educated after the Second World War.

They have usually lived abroad. One or two of their children may have been born in a foreign car and the making. They were educated after the Second World War.

They have usually lived abroad. One or two of their children may have been born in a foreign car and the making. They were educated after the Second World War.

At the moment, such men are still climators of the making. They were durated after the Second World War.

At the moment, such

A banking maverick

Constitution of the State of th

is ilipud

oun Staff

oshihiko Yamamoto, joint general manager, investment banking department, Sumitomo Bank, is 44 years old. He is a tall, handsome man who dresses well and sports a year-round tan. Two 'years ago he launched Sumitomo's mergers and acquisitions business and hasn't had time to pause since. He travels so much that by June he could boast of having already met Michael Dukakis. Perhaps he has lived over-

seas too long, but he seems to have forgotten the classically erect posture of Sumitomo Bank officials, Yamamoto sprawls in his uncomfortable chair like a sports player itch-ing to get back to the game. The man is something of a

maverick, both within Sumi-tomo and within his profes-sion. But he started off conventionally enough. He went to the prestigious Keio University in Tokyo, where he studied economics.

In his final year, his fiscal policy seminar professor told the young man that he should work for a bank, specifically Sumitomo. "At that time, the professor in charge had the power. He could allocate stu-dents. He told me I was going to Sumitomo. I had no choice. Marriages were arranged and so was your job. I never thought to protest," says

In 1972, he was sent to London where he began to break out of the Sumitomo mould by socialising with English friends and plunging into English life. At the beginning, he admits, even the smell of English food made him ill. But

he kept at it and learned to enjoy both the country's food and its people.

"Some people have a born capacity to think in a cross-border type of way. It's more than cosmopolitan. Christian societies have a totally different concept of the world, one which is often limited only to other Christian societies. Peo-ple with a Buddhist philosophy are more cross-border, I think, be says.

As a result, he sees himself as a man with a mission: "Japan needs people to build these bridges. Otherwise we may make a terrible mistake again based on misunderstanding," he says, referring to the

At the moment, most of Yamamoto's bridges are finan-cial ones. His ability to see beyond Japan led him to realise that the mergers and acquisitions fever coursing through other countries would soon strike cash-rich Japan. In just two years the mergers and acquisitions team has handled nearly \$3bn worth of deals.

But despite his pioneering role, Yamamoto is not earning

a huge salary. Instead, his team of 50 or so executives are gantly moving out of the tradi-tional Sumitomo career pyramid. Until now, every Sumitomo executive has served as a bank branch manager before moving up. But for an executive with extensive experience overseas, four or five years in rural Japan could be death for his international contacts.

As a result, analysts expect the rise of young executives like Yamamoto to force Sumitomo and other banks to create separate, swifter career paths for its young hot shots. Nonetheless, Yamamoto sees no trend towards the Western notion of profit-sharing bonuses and huge salaries.

"Sure, I earn much less than foreigners working in the M&A business. But M&A is a cyclical business. This boom is only six months old. Perhaps two years on, who knows. I prefer stabilon, who staying with the bank.
Our biggest advantage is our
huge client base. If we were
independent, we'd lose our net-

Although it applies to a tiny fraction of Sumitomo's 17,000 employees, Yamamoto says that the change is affecting the

way young people look at the bank and vice versa.

"The M&A business requires English-speaking ability, foreign culture, negotiating skills and accounting. This presents a challenge to us to look for these abilities among the newcomers if we don't open up we comers. If we don't open up, we will kill these young people. That's why we are creating a different career path.

"Japan's homogeneity is not one of our strengths. Now it's a danger. We must mix more with the world; otherwise we cannot survive. We will have the same clash as before the war." There are those in the older generation, he says, "who still think Japan is the best in the world and what we did in the past was right, . . young people are different; they have no fixed ideas about the world," he says.

Setting a pattern

etsuo Chino, head of Honda North America, is also a maverick. But in a sea of strong-minded characters, he hardly stands out. Honda was told 20 years ago that it should stay out of the automobile business. It has defied tradition ever since.

candidate for a series on the newer breed of Japanese man-ager since he's 56 years old and. board member of Honda. But this is a senior managing direc-tor who wears plaid jackets, loves to argue and is delighted with tough questions, the tougher the better. "Maybe Honda is setting a

pattern for other Japanese companies. We are very international, we have open doors, we even welcome interviews," he says. "Because of that attitude, foreign journalists write about us frequently and others are jealous. Now other companies are imitating our open style. I'd say that is the highest form of flattery . . ." he says with alaugh.

Honda workers do not address each other according to rank, as in other Japanese companies. It also maintains no distinctions between white and blue-collar workers. Factory workers are even repre-sented on Honda's board.

A graduate of the Interna-tional Christian University in Tokyo, Chino spent four years with an import company and joined Honda in 1962. He insists that his sole quali-

fication was an ability to ride a motorbike. His first assignment was to be sales manager m Northern Japan. "All of us, no matter who we are, have to learn all the businesses. We are not like Americans. We are, not on super express trains here. We are on a normal train. I enjoyed learning the funda-mentals," he says.

Chino went abroad at the

age of 33 and rose steadily through the ranks of the company. His overseas experience helped him to advance at Honda which was strongly targeting foreign overseas mar-kets. The exciting thing about Honda, he says, was that when he spoke, his superiors listened



"We are not shimanagashi here, that is isolated from the current. Within days of joining the company, I met the very top people. When I moved back to Tokyo, I saw them twice a

Now that he has climbed close to the top of one of the world's fastest growing auto companies, how has his lifes-tyle changed? "I live in an apartment about the size of this room," he says, eyeing up the spacious interview room with a practiced eye. The apartment is about 40 minutes from the office, yet it is still a pied-a-terre. His home is two

hours from Tokyo. "It's not only me, but the entire standard of living in Japan should be upgraded. That's the major issue for us. We still live in hutches. Our fundamentals, roads, houses, and so on, are underdeveloped. Why do we put up with it? We became affluent overnight. My children's generation will change their life-style. My daughter grew up in the US. She is now at Cornell Law School. There are many young people who know the West, In 10-15 years, our lifestyle will be greatly changed," he says. Does he ever dram about

Lee lacocca's salary? "I'm envi-ous of him!" he says emphatically. But I think the success of this company is not only due to my merit. It is due to the merit of everybody. You can't run a business by yourself.

lacocca pretends he does every-thing himself. And of course he's a big success. But if his staff stops working, the company cannot succeed.

"The Japanese have patience, which goes back to

traditional Japanese ethics, from China, that teaches that the best way to live is to be humble. It also teaches that thinking should be at the high-

The urbane diplomat

zusa Hiyashi, director, First International Economic Affairs Division of the Foreign Ministry rises from his crowded, cluttered office, where one desk nearly touches the next. He saunters into the nearby director-gen-Europe. He settles himself into a large leather chair and waves up at the long gallery of stern black-and-white portraits above his head.

"All these guys, they worked on the reconstruction of Japan after the war and its entrance to international bodies like GATT. Now, things are more difficult. Foreign countries have recognised our power and what we can do, so they have raised their expectations," he

"We are the young cadres, young managers, children of the post-war age. I was born

harder than our predecessors. I one year after the war, in 1946. don't think the younger ones, We think our role is now bigger than that of our counter-10-15 years younger, work less hard than I do. parts in European countries. "In London, I enjoy concerts because expectations are big-

ger. Our role is to try to observe this change in expecta-tions of Japan and keep a few

steps ahead of general opinion.

We have to prepare Japanese people for the changes."

Hiyashi, with his gold-

rimmed glasses, large mop of black hair, smart suit and tie and leather loafers, is the clas-

sic urbane diplomat. "Japan can't say any more that we

need to protect ourselves, that

we are vulnerable. We heard this line a lot in the past. Now we believe in our ability to sur-

vive." he says.
"When we say we want to increase imports from Euro-

pean countries, we are sincere. It can be said we are a little bit more open than our predeces-

sors. We have the luxury to be

so. We are different tempre-

mentally from our predeces-sors, but the time is also differ-

ent. We travel a lot, more than

before and we talk to foreign-

ers. My predecessors point out

that the trade surplus is only five years old — what if it falls? But I say that opening

our markets to more competi-

tion will sharpen our econ-

omy."
Hivashi believes that the

less hard-working than that before it. "This generation is

deeply committed to the work

ethic. We work very hard, even

at the Barbican; I go to muse-ums. But I think the point is that such things are just impossible in Tokyo. Concerts start at 6 or 6:30; the price of tickets is sky-high and they usually sell out in one day," he says resignedly.

Hiyashi was born in rural Japan and was the first in his village to make it to the top-ranked Tokyo University. When he returned home from a posting to New York, land was too expensive for him to buy a house. So he bought land in the country and built a home from imported goods.

"It has American windows and Swedish doors - they were cheap," he says with an easy laugh.

He only gets there about once a year. The rest of the time he lives in a government flat with his wife and children in west Tokyo. The place measures just 73 sq metres. "Some part of it is so shabby, the sink so narrow, they should improve it. Every morning when I shave, I feel a little bit upset. It's so small, it's substandard. But we pay low

As Hiyashi points out, life for the new managers is still arduous. But the rewards, in terms of a job which gives more and more latitude to the individual, are just beginning.

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TECHNOLOGY

WHILE athletes like Steve Cram, Said Aouita and Fatima Whitbread used Sunday's international meeting in London to demonstrate their readiness for the Seoul Olympics, Unisys, the world's second largest mainframe computer manufacturer, was demonstrating its skill at sports results record-

ing.
The company's black and red caravan vied with Independent Television's outside broadcast trailer for domination of the cark park at Crystal Palace during the McVities Challenge Invitation.

If sport is a microcosm of life, compressing blood, sweat and tears into a few minutes, sports results recording has a similar relationship with conventional data processing. Unisys provides the computer systems which record and collate the results at many of Europe's most prestigious ath-

It also provides a results service for championship golf, ice skating, skiing and show jump-ing. But, according to David Fox. Unisys external events manager, athletics presents the toughest challenge. "There are rarely less than five different events going on at the same time. You might think that

When computing has a sporting element

athletics is all one sport, but in fact scoring the triple jump is as different from recording the 5,000 metres as football is from ice skating."

And there are other complexities. Sean Glover, Unisys software consultant for external events, points out that the easiest meetings to record are the large championships where competitors and competition management have to play by

The worst are invitation events, where virtually anything goes: The promoter is metaphorically and sometimes actually standing on the starting line with a load of money saying: 'Do you want to go in the next race?'" Technically, the results ser-vice is simple. There are com-

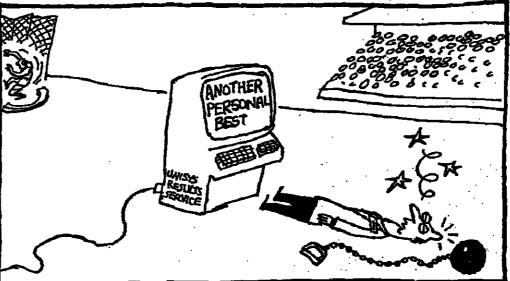
paratively few computer termi-

nals involved (a dozen or so) and the processing is simple

enough. What makes it tough is the difficulty of producing absolutely accurate information and results in conditions of uncertainty. Each event is monitored by a

separate computer terminal. Housed in bright orange covers, they are connected to a pair of mainframe computers in the results caravan. The terminals are identical.

What enables them to handle separate events is the software written by Sean Glover and running on the mainframes. Echoing the problems faced by systems analysts building conventional commercial systems, Glover points out that while it took him a week to write the software using Linc, one of Unisys's advanced program generators, "it took me a year talking to the athletics administrators to understand



As a meeting progresses, scores are tapped into the terminals, transmitted to the mainframes, processed and then retransmitted to the inquiry terminals used by television and radio commentators, stadium announcers and sports reporters. Many different types of inquiry can be made, including searching a database for athletes' biogra-

The mainframe feeds infor-mation to terminals in the ITV trailer where Unisys specialists Tony Monk and Ray Boulding are busy creating and tailoring captions ready to be overlaid

on to video sequences.

Fox and Glover apart, the Unisys team are volunteers -Tony Monk works with the financial services division dur-

ing the week. The Unisys service is free - the company regards it as valuable public ity. The annual cost of its athletics activities is about \$400,000 including sponsorship.
Unisys will not be going to
Seoul. IBM's technicians are
already installing the Olympic

Alan Cane

NEKENED

The sharpening of a business weapon

Alan Cane reports on the priority now given to rapid access to the latest information

he future of business computing may well lie in systems where computers and their users maintain a dialogue based on the latest available information, called on-line transaction pro-

Airline reservations and foreign exchange dealing are among the operations that benefit from a technology which many experts see as having the greatest growth potential in business computing.

On-line transaction processing (OLTP) involves a direct link between computer and user. The user sends a request to the computer, the details are logged instantly, bringing the computer database up to date, and a response is returned. All this happens

within a second or so. The bullish view of the potential for such systems comes from some prestigious users. John Watson, director of information management at British Airways, says: "I do not look at the use of OLTP as a competitive advantage because it is essential." John Harris, managing director of general Guarantee Corps and director of Great Universal Stores, bemoans its absence: "If we had had OLTP there is no doubt in my mind that we could have done an extra 5 per cent above

The manufacturers agree. Earlier this month, Digital Equipment, the leading minicomputer manufacturer, announced it had improved the OLTP performance of its flagship VAX com-puter range ten-fold. In the process, it claimed a three to five times advantage over International Business

Machines in cost per transaction. OLTP systems have traditionally been the province of large main-frames. Minicomputers have been too slow, lacking in sufficient memory capacity and unable to search for the items quickly enough. Tandem was the first minicomputer

company to break the mainframe manufacturers' hold on this market when it introduced its Nonstop machines in the late 1970s. Marketed as fault tolerant machines, they were also good transaction processors. The financial community quickly recognised the advantage of using low cost, fault tolerant Tandem computers in place of multi-million-dollar mainframes for many transaction processing applications, such as cashless

According to the New York stockbroker PaineWebber, the market for OLTP systems is worth between \$20bn (£12bn) and \$30bn a year and

A new measure of computer power, the "debit/credit benchmark" has had to be introduced to estimate the power of these advanced systems. A system able to process 95 per cent of all transactions within one second is defined as a one TPS. By this measure, according to Digital Equipment's figures, the VAX 8830, costing \$1.8m, is capable of 27 TPS. Dividing the five-year cost of the machine by the TPS gives a cost of \$66,000 per second of processing power. A \$8.7m. IBM 3090 model 200 E gives 38 TPS at a cost of \$229,000 per second of pro-

cessing power.

Tandem warns, however, that the use of benchmarks is fraught with dangers. Its figures for its top-of-theline VLX system with eight proces-sors, using a benchmark devised by a company called Sybase, gives 120 TPS at a cost of less than \$2m.

In the US, Silicon Valley consultant Omri Serlin has established a consortium of vendors - including Tandem and Digital Equipment - to agree

ommon benchmarking standards.

No matter how their performance is easured, OLTP systems are becoming increasingly necessary to support the modern business. The quotes from

growing at more than 20 per cent for certain kinds of application.

Gemintas, Harris and Watson come from a study of corporate trends in information technology carried out by HR&H Consensus International and commissioned by Tandem Computers

> The study, covering interviews with 50 of the UK's top companies, confirms that information technology is now seen as a strategic business weapon by senior management and that it is being used as a way of avoiding commercial disadvantage.

> Graham Gooding, director of systems office, Ford of Europe, says: "We use computers now for competi-tive advantage in our three core strategies - in getting quality products to market faster, in producing higher quality at lower manufacturing cost and in focusing on customer needs." More than 50 per cent of the organi-

sations interviewed were using OLTP to some extent and 15 per cent had moved over entirely to an OLTP system. Competitive advantages were cited in areas like customer service, stock control, trend monitoring and sales data collection.

"He who knows first wins," says Christopher Cartwright, executive director at Country NatWest, National Westminster Bank's brokerage arm. "If you can pull up data quickly, you

can book a trade."

When instant availability of data is so important, the system must be reli-able. The survey reports that about 50 per cent of manufacturing and retail organisations had experienced a serious breakdown in recent years, including ones caused by power failure and fires.

Most of the banks and all the stock-

brokers interviewed had had signifi-cant breakdowns. Financial institu-tions reckoned they would go out of business in two days if a major fault

were not corrected.

David Turner, director of finance at Shell UK, summed up the pressures:

"You have got to have solid, up-to-date information about what has been happening in the business and outside.

"You must have consistent data throughout the company. Generally, the old style of information systems did not give you totally consistent data, so there is an opportunity to have a much better level of control over the way you run your business. If you do not do it, you get left behind."

The study, entitled Corporate Trends in Information Technology, will be available shortly from Tandem Computers UK on 01 841 7381.

Tracing problems with carphones

By Della Bradshaw

EARLIER this month, the proud owner of a new car took it into a UK garage to have a cellular radio telephone fitted.
When the job was completed, he found he could not reverse out of the garage because the phone had been installed too close to the gear lever. Bad installation is one of the

downsides of the boom in cellular radio sales, where the promise of fast profits has sucked in a number of less reputable dealers.

To combat the problem, a voluntary code of practice has just been published by the Federation of Communications Federation of Communications Services (FCS), the mobile radio industry's trade body. This follows a request made three years ago by the two cel-lular operators, Racal Voda-fone and Celinet, for a quality assurance scheme covering installation, maintenance and manufacture.

Jonathan Clark, chairman of the FCS, believes bad installation is the main cause of complaints about calls being cut off, noise on the line and engaged tones caused by con-gestion. I suggest bad instal-lation is a greater problem than anything to do with the networks themselves, although I don't want to underestimate the problems

there," he says.

Although the voluntary code is supported by most airtime retailers — the companies which sell the phones and send out bills to customers using the two cellular networks some think it does not go far enough. "It's OK to have advisory codes of practice, but we really do need to have legisla-tion, says Darryl Flinders of Ansells Communications Service, of Cambridge, a cellular

radio installer. He argues that companies installing traditional phone systems have to be licensed by the Office of Telecommunications (Oftel) and the same should apply to car phone

installers. Until the results of the PCS initiative filter through, manufacturers and retailers advise potential celiular radio customers to ask a few simple questions before deciding where to get a carphone installed.

• Has the installer been on a relevant training course? The best motor mechanic is not necessarily the best radio tech-

Where will the aerial be put? The recommended position is in the middle of the roof, although an "on glass" aerial fitted to the top centre of the windscreen can also be used. Aerials installed on the wing of the car are likely to result in poor quality voice

iransmission.

• What service and back-up is there for the phone? If some-thing goes wrong, how soon can it be repaired? Will the installer lend you another

while it is being repaired? Finnish cellular telephone manufacturer Nokia-Mobira has launched a free guide for prospective cellular phone purchasers. It is available from Nokia-Mobira on (0223)

An airborne detector of oil under the sea

By Geoffrey Charlish

BARRINGER Oil, of the UK, is offering an airborne detection service in which a specially equipped aircraft can be flown over the sea to increase the chances of finding offshore gas and oil fields.

Called Fluoroscan, the system detects minute traces of the substances by laser scanning from the aircraft.

Oil or gas seeping from accumulations below the sea bed fluoresce (emit visible light) in the intense ultraviolet radia-

tion emitted by the laser. The data collected by many sweeps over an offshore area can provide an accurate identification of places with the greatest potential for drilling.

The aircraft also carries a downward looking radar for detecting surface changes asso-ciated with oil or gas seepage and can measure the earth's magnetic field. Information from this equipment is used to help interpret the laser scans. Barringer Oil can be contacted on 0491 613372.

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business community. Because, although we may

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JOBS

By Michael Dixon

Odd view of status Wide gulf in perks

You cannot hope to bribe or twist, thank God!, the But, seeing what the man will do unbribed, there's no occasion to.

THOSE lines by Humbert Wolfe have long been quoted by politicians and such to twit members of the Jobs column's trade. But I now discover that we journalists are not the only folk who can be accused of the folble Wolfe noted.

faible Wolfe noted.

Evidence of that comes in the latest review of executive-employment trends by Incomes Data Services (193 St John Street, London ECIV 4LS; tel. 01-250 3434). One of the trends IDS reports is that companies, especially in the finance and high-technology sectors, are growing anxious about the harm they might suffer at the hands of employees who leave. hands of employees who leave. The result is a drive to embellish the service contracts of key people with restrictive covenants, under which they sign away their rights to do certain things should they go to work elsewhere. Activities to work elsewhere. Activities the covenants seek to ban include disclosing confidential information, taking a job with a competitor in a particular field before some specified date, and soliciting the former employer's customers.

But companies' mount to But companies' moves to protect themselves in that way

are being hampered — in Britain, at least — by a recent development. They could once tempt staff to accept such ties tempt staff to accept such ties in return for payments which, for tax purposes, were treated as different from on-the-job earnings and so had enhanced appeal. It has now been removed, the sums concerned being taxed as normal pay.

Hence many employers keen on restrictive covenants have concluded it will cost them far more to set staff to sign. In

more to get staff to sign. In doing so, they may be wrongly assuming that their key people are more resistant than Wolfe's journalists to doing uncanny things unbribed. IDS says one company finds that, if it sugars the restrictive pills with a notice period, its staff gladly accept them as status symbols.

Even so, they seem unlikely to suffer much from it. IDS adds that personnel specialists it has consulted largely doubt that restrictive covenants can be usefully enforced in the

Fringe contrast

THE PAST few days have brought two further reports on another, probably more vexed executive-jobs issue: perks. Both studies refer to Britain. One, with separate parts for financial companies and for industry and services is by Hay Management Consultants (52 Grosvenor Gardens, London

SW1W 0AU; tel 01-730 0833, fax 01-730 8193). The other, limited to City finance work is by the Jonathan Wren recruitment

Jonathan Wren recruitment consultancy (1 New St, London BC2M 4TP; tel 01-623 1266, fax 01-626 5258.)

The results show starkly the advantages financial sector executives enjoy over their counterparts elsewhere in fringe benefits as well as pay.

Take for instance the level at which a worker typically gets a company car. In industry and the like, the level is indicated by the manager of a £10m-£15m sales retail store with 100 staff, or a professional specialist such as an accountant with six to seven years experience. At to seven years experience. At that sort of rank the pay would be about £19.850.

In finance, the threshold for receiving a car is typified by the head of the claims section of an insurance concern, or a specialist accountant with four to five years experience. What

is more, people at that lower stage are characteristically paid about £21,600.

The advantage of London finance-sector staff is far greater still in the important matter of housing costs. Both the Wren and the Hay reports indicate that over 90 per cent of employers give generous help with house-buying to some two thirds of those on their payrolls. Rarely does it take more than a year, and

for a recruit to qualify for an advance of at least £50,000, and usually more, at an average of about 5 per cent interest.

By contrast, of Hay's sample of 251 companies in industry and the like — half of which reported difficulty in staffing their operations in South-east England — only four offered a house-purchase subsidy.

Three charged no interest on it, the fourth requiring 5 per cent. But in two of them the maximum advance was small: £2,000 and £3,500 respectively.

f2,000 and £3,500 respectively. The remaining pair, which restricted the help to senior staff, would go up to £25,000 in one case and £30,000 in the other.

City batch

RECRUITER John Williams is offering a batch of jobs in the City of London on behalf of two employers he may not name. He therefore promises

that applicants who so request will not be identified to his clients at this stage.

Three of the posts are with a bank owned in the United States, and all are on the marketing side of the expensive of the posts. marketing side of its corporate foreign-exchange operations. In every case the jobs are deemed to require at least three years success in similar work. All the newcomers will report to the corporate FY manager. the corporate FX manager. The first will help to expand the marketing of the London

branch's relevant wares, including options, to big national and multi-national concerns. A particular need is direct experience of advising company financial chiefs on the strategic management of

currency positions. Number two's main activity will be marketing professional fund-management in FX and options. Candidates should again be practised in dealing with top rankers in client organisations, and have first-

hand kncwledge of tactical hedging decisions.

The principal task of the third will be helping to expand the branch's marketing to companies elsewhere in Europe, which puts a premium on fluency in at least one other appropriate language besides English.

Salary for each post in the 230,000-£45,000 bracket, plus bonus on results and car among the other benefits.

Mr Williams's other quarry is an international economist to work for a world-spanning investment concern. Reporting to the head of its fixed-income research effort, the newcomer will be occupied in analysing economic and financial trends throughout Europe, working closely with the company's international bond-trading and

Candidates should be highly numerate and preferably have a higher degree in economics together with experience in comparable work. Pay indicator £25,000-£30,000 and profit-related bonus.

Applications to Russell,
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It will be for the newcomer decide how much time needs to be spent at the office, but there is a good deal of evening work such as attendance at sub-committee meetings and official functions. No salary is quoted, but my estimate would be around £20,000.

Inquirles in writing to Frank Cokayne, the society's current chairman, Stanton House, 206 Worple Rd, London SW20 8PN.

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Jonathan Wren

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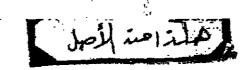
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De-regulation will not necessarily mean diversity

Christopher Dunkley does a little crystal ball gazing at the Edinburgh Television Festival

The cover of the brochure for this year's Edinburgh International Television Festival (EITF) shows a crystal ball with tarot cards superimposed. The image is apposite. Everybody who attended — whether tyro independent producer or BBC panjandrum — wanted to know what the future holds for television once the new technologies become available. Should we assume that because the British took so enthusiastically to video assume that because the British took so enthusiastically to video recorders they will be equally keen on buying satellite dishes? Or the opposite: that having spent £250 on a VCR to expand their choice they are the property that he need to pay for more? will feel no need to pay for more?
Will Rupert Murdoch's satellite service, offering four new channels for a one-off payment of £199, sound the death knell for BBC and ITV? Or will viewers hold back to see whether BSB's more expensive, but incompatible, service, complete with a pay-channel for movies, is better? If the Government's new broadcasting legislation accepts an open-skies policy (and what else can it do?) shall we be deluged with soap and game shows from the sky? Or will de-regulation mean diver-

The 1988 festival (more than ever like the professional conferences in other industries, less than ever like

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will de-regulation mean diver-

the summer television schedules, but not as often as it should have been. Too many of the young Turks who, 10 years ago, stood in the body of the hall calling down fire and brimstone upon the heads of television's mandarins were, this year, up on the platform defending the

was, until recently, Deputy Direc-tor-General of France's public ser-vice TF1. She pointed out that French television had swung from being the most to the least regu-lated system in an astoundingly short time. When TF1 was priva-tised the major shareholder became

If the government's new broadcasting legislation accepts an open skies policy - and what else can it do – shall we be deluged with soap and game

shows from the sky?

departments and the budgets over which they themselves have now become the mandarins.

But for anybody willing to do a little Gypsy Rose Lee interpretation there were, indeed, plenty of hints about television's future, and pretty ominous they were, on the whole, despite frequent attempts by the new mandarins to convince us that they welcome more competition, that in 10 years time television will be more varied and better than today, and that a proud tradition of high quality broadcasting is *not* dis-integrating before our very eyes.

other industries, less than ever like the impassioned student debating society that it once resembled) was sometimes more interesting than

the civil engineering group of Bouy-gues, and Ockrent said of the people now running it: "These are men who tell you, blank in the eye, that there is no reason why a television station should be run any differ-ently from a pipe factory . . . he new breed who seek financial and managerial control over broadcasting have goals but no standards. Programmes are not discussed in terms of quality but in terms of

following morning. "In many ways the French situation epitomises the fears which I guess many of you nourish about de-regulation . . . we have, indeed, more channels than before but we

commodities and figures. Judge-ment comes in with the ratings the

seem to have less choice. Conformity, uniformity, settle in, with the usual populist justifications: this is what the public wants, and who are we to criticise those choices? Look at the ratings! Ratings terrorise the industry. At a slower pace, and on a smaller scale, the erosion in quality and pluralism is the same that affects the aching American net-

"Erosion affects news standards as well. What is interesting has over-run what is important. Some presenters of news programmes, albeit journalists, anchor entertainment shows as well. Where is the borderline? Isn't the Princess of Monaco news? And isn't she more attractive than the Third World debt? The French presidential elec-tion provided one of the most illu-minating and scary moments in journalistic trends: TF1 produced an extremely funny and popular an extremely funny and popular Muppet type programme, a local "Spitting Image," as a parody of the campaign. A few days before the vote the anchor of the main evening news programme invited not the candidates but the Muppets to deliver their final address. It was fun but was it post?" fun, but was it news?"

With that in mind it was chilling on the final day of the EITF to hear Jane Hewland, Controller of Features and Current Affairs at London Weekend, which has recently abandoned its serious current affairs programme Weekend World, describing the assumptions which will now guide LWT's current affairs series. What viewers switched on for, she claimed was "stories about people." (A belief clearly shared by Jim Styles, Managing Director of Sky channel who

Snoddy. On his left sat Charles Jonscher, vice president of Booz, Allen & Hamilton, who told us that there was too much scare-mongering about the likely effects of the new television ecology upon pro-gramme content and standards. It seemed unlikely that the new chan-

Before the new technologies have arrived, let alone proved their competitive muscle, the existing

broadcasters are planning pre-emptive changes which will reduce the diversity available

also promised us "people driven" news from his satellite.) She truly believed in giving the viewers what they wanted, and the person she admired most in television journalism was Esther Rantzen. She would and deny the rumour that TV-am's Anne Diamond would be the presenter of LWT's new series, and, most telling of all after the Ockrent anecdote: "I shan't be above using

every trick in the drama and enter-tainment book. Current affairs have been too slow in using them." There seems little difficulty in interpreting that set of cards (hallo Muppet news) but the crystal ball had first cleared long before, during the opening discussion which was chaired by the FT's own Raymond

nels would take more than 35 per cent of the audience (which would be enough to give them an eco-nomic base) while the BBC and ITV would keep 65 per cent which ought to be enough for them to survive quite adequately.

Coming from one of the numbers men who have been advising the Thatcher Government, this sounded encouraging: perhaps those of us who feared the slide towards Gresham's law and a downward spiral of ratings-chasing after the arrival of the new technologies were being unduly alarmist? But then from Mr Snoddy's right came the voice of Greg Dyke, LWT's Director of Programmes, who had been asked what changes he expected to see when

comparing the 1998 schedules with those of 1988. He replied that educa-tion, religion, documentaries and children's programmes would not be sustained at their present levels. There was, he said, no justification for LWT spending as it did now, 7 per cent of its budget on children's programmes when those pro-grammes achieved such small audi-

Here was a vivid illustration of what is, surely, the main danger now facing British television: that before the new technologies have arrived let alone proved their com-petitive muscle, the existing broadcasters are planning pre-emptive changes which will reduce the diversity available, in the hope of achieving greater competitiveness, even though this may be unnecessary. The new competition may never materialise: satellite and cable could yet prove a disaster in

Though many speakers in the sessions on drama, telethons, faction, and so on, expressed their profound personal belief in the desirability of diversity, and in the need to supply programmes concerned with quality of content as well as those aimed at quantity of ratings, the 1988 EITF felt very like a watershed. Whatever the realities of the threat posed by satellite and cable, ITV is going to change dramatically in an attempt

Le Jeu de l'Amour et du Hasard LEITH THEATRE, EDINBURGH

Groupe TSE have brought a ments. Her maid, Lisette, Marivaux production to the squats on straddled legs, and Leith Theatre from Paris, where it was premiered last year. Unlike many equally delicate exports, it has travelled

sweet crystallisation of his delicately probing analyses of seen.
love at cross-purposes, love in spite of itself, love despite swing their arms in moments social barriers, jokes that turn sour, intrigue that gets out of hand. To the formal symmetry of a gavotte (master and servant change places, so do mis-tress and maid) is added the dissonance of pain, the synco-pation of real, if unwelcome,

The beautiful set and costumes (Claudie Gastine and Andre Collin) place the action in the fragment of a ruined circular hall. Jewelled mosaics, baroque garlands, exqui-site ornateness are offset by the stone floor that reveals raw rock, the large unglazed windows that look onto a wild landscape, and through which the characters leap and clam-ber, and the broken masonry

up which some of them shin.

For, inspired by the 18th century fashion for depicting in porcelain and painting monkeys in human clothes, the director, Alfredo Arias has monlded the comedy in simian terms. Daniel Cendron's lovely, naturalistic monkey masks top the full skirts and lace crayats of the rococo, as if animals were (literally) apeing the modes of men; or as if nature were breaking through

the artifice of humanity. This group's adaptation of Balzac's Heartaches of an English Passycat, another combination of elegant design. and animal masks, was seen in Edinburgh in 1979 and inspired Henze's opera, The English Cat.

At last! Theatre worthy of an international festival. The indicates her animality with French-based Argentinian quick, twitchy head movepulls up her skirts to scratch at the talk of love. Silvia's old father lopes in on all fours, a balding, wispy-haired orang-utan; and his daughter leaps, Le Jeu is arguably Mariscreams, and defiantly vaux's masterpiece, the bitter crouches, when told she must marry a man she has never

of excitement, while never sacrificing a jot of elegance in language or sentiment. Alain Salomon's valet (impersonating his master) obsessively rubs his groin, his specific gravity centred in the pelvis. The disguised maid screeches as she rolls on the ground, legs waving in the air, during their robust wooing, each con-

vinced of being onto a good thing in social climbing. The courtship of the upper classes reveals more delicate sensibilities: bewildered resentment at this attraction to supposed inferiors; cruel teasing from those in the know, and, as so often in Marivaux, a hair's-breadth escape from tragedy, or at least comé die larmoyante.

The cast carries it all off with brilliant élan. Marilu Marini and Zobeida are vocally and physically well-dif-ferentiated as mistress and maid. As Silvia's mocking brother, Pierre-François Pisto-rio stands out both for his light-footed athleticism and the little caws, squeaks and whimpers with which he conveys monkey concerns. Only the romantic hero lacks inci-sive characterisation, physical or vocal, despite his harlequin costume. Otherwise, this pro-duction (less than two hours with no interval; simultaneous translation available) is totally absorbing and exhibitrating.

Martin Hoyle

Promenade concerts

A pair of concerts over the bank holiday weekend empha-aised the Proma' continuing commitment to British music. While there are always plaudits to be won from promoting the first performances of new music, it takes a hardier programme-planner to schedule important works from the last generation of compositions that have already fallen into

neglect. Tippett's Piano Concerto is a prime example of a work whose existence is widely known, but whose music gen-erally is not. Written between 1953 and 1955, it was virtually contemporaneous with the composition of The Midsummer Marriage and the similarity in their musical language, a com-plex and febrile mesh of sounds which is constantly agi-tating to move off in new directions, is one of the major attractions of the concerto. In the first two movements

Tippett takes the density of those sounds to what is proba-bly the furthest limit in his writing of that period. The opening allegro, constantly teeming with the most elaborate ideas, holds the attention because the unusual textures it creates are so beautiful; whereas the slow movement is inclined to sound merely

What both lack is a striking group of leading motifs. Many of the ideas sound as though they might more suited as an accompaniment and it is only the proliferation of them, their combination one with another and ultimate complexity, that hides the lack of anything more individual. Tippett's move to music of a cleaner and more dynamic cut in the finale suggests he may have sensed this himself

Nevertheless, there is much in the concerto's warm and humane atmosphere, a shared feeling of *The Midsummer Marriage's* glorious message of rebirth, that is special to this composer. This performance by David Wilde and the BBC Philharmonic Orchestra under Edward Downes seemed to

have a full command of Tippett's score, both with regard to its notes (the piano part looks fiendishly awkward) and its orchestral beauties.

The concert ended with Mahler's Fourth Symphony. This was not Mahler interpretation at its most personal, and there were many moments where one longed for Downes to pull back and savour the landscape. But the BBC Philharmonic played as though they knew exactly what they wanted every note to mean, and Felicity Lott was the affectionate

Richard Fairman

Sunday's BBC Symphony Orchestra Prom under David Atherton, an attractive and well-executed all-English programme, included a cleanly shaped Enigma Variations and a vivid, unsentimental account of Britten's Spring Symphony specially notable for first-rate singing from the combined BBC and CBSO choirs.

It began, touchingly, with DIVELS mance of Vaughan Williams's Serenade to Music - the pièce d'occasion, written for Henry Wood's 1938 Golden Jubile and involving 16 of the day's finest British singers, that resulted in one of the small masterpieces of English vocal music. Atherton had chosen to revive it here with 16 soloists from the BBC Singers. Perhaps this was a slight limiting of the work's peculiar magic - since part of Vaughan Williams's mastery was the way 16 different, strong vocal personalities were impressed into its short solo phrases – but the eupho-nious and musicianly ensemble made considerable amends.

It was moving to have three of the original soloists, Dame Eva Turner, Mary Jarred, and Roy Henderson, saluted by the audience at the end, and still more moving that the work's original harpist, Sidonie Goos-sens, should still be playing in it on this occasion.

Max Loppert



Scene from La finta giardiniera

La finta giardiniera and La clemenza di Tito

This year's new production at Drottningholm was La finta giardiniera, staged by the regular home team of Arnold Ost-man and Göran Järvefelt. Even in ideal circumstances, which is precisely what the Court Theatre should provide in terms of festival rehearsal conditions and proper intimacy, this is a tricky work to bring off, sharing as it does with Don Giovanni the enigmatic desig-nation dramma giocoso. While Da Ponte's faultless libretto gives unmistakeable pointers as to mood and meaning, the much vaguer Coltellini/Calzabigi text for the earlier work makes trenchant demands on a director's aculty and sensitiv-

ity to mood. Purely musically, the staging could be accounted a considerable success: the fine young cast had been well prepared, and the orchestra was on especially alert form this year; all all? – that was missing was

crisp and communicative enun-

ciation of the Italian language from all four ladies. On stage, things were less happy. Mr Järvefelt, a pragmatic man of the theatre, has said that when faced with an audience that doesn't understand the text, as must have been by and large the case here (and in this temple of authenticity there is no place, mercifully, for surtitles), then he takes this into account in his direction. The result, in stark and depressing contrast to his usual work in this house, was an evening loaded with sightgags, some of them surpris-

ingly coarse. Extras as well as soloists were for ever mugging and primping, Ramiro's shock reve-lation that there was a suspected murderer in the house party was fatally upstaged by a collapsing wedding dress, and the nadir was reached in the first scene of the third act, set shouldn't be) with the poor old

Aug 26-Sept 1

gentleman trying to sleep, wiggling his toes in Nardo's aria and having to deliver his own in competition with a pillow fight, foot-washing and the full shaving-cream routine.

It all looked too like an admission of panic-stricken desperation on the director's

part, and such basic essentials as control of character development, especially in the case of the crucial Count Belfiore (who never really recovered from his initial appearance as a close relative of Lord Foppington), were lost in the general hubbub. There is a great deal more to this piece than was allowed to meet the eye - or indeed the ear, literally, in that seven arias and acres of recitative But vocally there was much

pleasure. The performance was

dominated by two Drottningholm debutants: Stuart Kale as Don Anchise, alone of the cast singing consistently in clear, comprehensible Italian and showing such innate understanding of buffo style as to make one regret ever more the over-direction; and the young American tenor Richard Croft (Belflore), another lively stage personality whose dryish tone grew more liquid as the even-ing progressed and whose easy, precise agility should win him an eventful career in Mozart and Rossini.

There were two nicely con-trasted mezzos in Eva Pilat (Arminda), also en debut, of everything that Drottningh-whose smooth, tightly focussed olm stands for. delivery and admirable spirit ("Vorrei punirti" rightly stopped the show) was bal-

anced by the more vibrant. interior Annika Skoglund as Ramiro. Ann Christine Biel made an ideally bolshie and tart Serpetta, and Petteri Salomaa a stylish Nardo. The one disappointment, a rather central one, was Britt-Marie Aruhn's thin-voiced Sandrina, dramatically a cipher.

Amends were made in full with this year's second offering, La clemenza di Tito, which was everything a revival ought to be. The cast was the same as last year, but all had worked their way more deeply into the characters and their music, and all took advantage of Mr Ostman's noticeably more relaxed approach to phrase tion. Both Stefan Dahlberg (Titus) and Anita Soldh (Vitellia) had added a touch of metal to their tone, and the latter's account of "Non più di fiori" as a full-blown operatic mad scene was stunning. Lani Poulson's Sextus, warm of tone, the same level, and Pia-Marie Nilsson's hypermusical Servilia remained utterly irresistible in every way.

The production, presenting Titus (who survived assassination) as Gustaf III (who didn't) in the latter's own theatre, is Jarvefelt at his best, and the whole evening — "authentic" but bristling with theatrical life — was a shining example

Rodney Milnes.

ARTS GUIDE

THEATRE London

MEN MAN

A fizzing Gogolian production by Richard Jones of Ostrovsky's Diary of a Scoundrei in an old Rodney Ackland version, with Too Clever By Half (Old Vic). ckland version, with Rodney Ackland version, with remarkable Expressionist designs by Richard Hudson and a brilliant central performance

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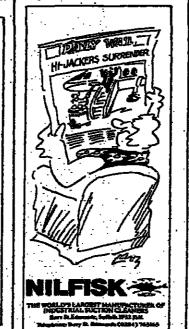
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card bookings 261 1821).
Resy Virtue (Garrick). Transfer
of King's Head revival of early
Noel Coward, same period but
lesser vintage than Hay Fever,
but worth seeing (379 6107).
South Pacific (Prince of Wales).
Average, traditional revival of
the great Rodgers and Hammer-

stein musical, with Gemma Craven failing to wash the beritonal Emile Belcourt out of her hair.

- -- /- ,--

(839 5989). The Phantom of the Opera (Her The Prantom of the Opera (her Majesty's). Spectacular, emotionally nourishing new musical by Andrew Lloyd Webber. (839 2244, credit cards 379 6131/240 7200). Fullies (Shaftesbury). Eartha Kitt and Millicent Martin now



decorate Mike Ockrent's strong revival of Sondheim's 1971 musi-cal, in which poisoned marriages nearly undermine an old buresque reunion in a doomed theatre. (379 5399).

Hapgood (Aldwych). New Toin
Stoppard mixes esplonage,
romance and higher physics.
Felicity Kendal is the eponymous intelligence agent, Roger Rees and Nigel Hawthorne in elegant support. (836 6404, credit cards 379 8233).

Agnes of God (Stadsschouwburg). The English-Speaking Theatre of Amsterdam with John Pielmeier's play, directed by Bryce Pedersen. (Fri, Sat). (24 New York

Cats (Winter Garden). Still a sell-out, Trevor Nunn's produc-tion of T.S. Ellot's children's tion of T.S. Effot's children's poetry set to music is visually startling and choreographically feline. (239 6362).

A Chorus Line (Shubert). The longest-running musical in the US has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 6200).

magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pageantry and drama. (239 6200). Starlight Express (Gershwin). Those who saw the original at

the Victoria in London will barely recognise its US incarna-tion: the skaters do not have

to go round the whole theatre but do get good exercise on the spruced-up stage with new bridges and American scenery

bridges and American scenery to distract from the hackneyed pop music and trumped-up, silly plot. (586 6510). Me and My Girl (Marquis). Even if the plot turns on ironic mim-icry of Pygmallon, this is no clas-sic, with forgettable songs and dated leaderness in a stage full of characters. It has nevertheless proved to be a durable Broadway hit. (947 0033). proved to be a durable Broadway hit. (947 0033).

M. Butterfly (Eugene O'Neill). The surprise Tony winner for 1988 is a somewhat pretentious and obvious meditation on the true story of the French diplomat whose leventine mistress was

true story of the French diplomat whose long-time mistress was a male Chinese spy. (246 0220). Speed-the-Plow (Royale). David Mamet applies his biting sarcasm and ear for the exaggerations of American language to Hollywood, in this screamingly funny and well-plotted expose of the film industry. (239 6200). Stranger Here Myself (Public). Angalina Roux performs two decades of Kurt Weil's songs in a one-woman show covering in a one-woman show covering the composer's careers in Berlin, Paris and New York. (598-7100).

Les Misérables (Kennedy Center Opera House). The touring com-pany of the international hit of last season brings to Washington the historical sweep of Victor Hugo, set to music and an insis-Hugo, set to music ann an insi tent contemporary best. Ends Oct 15. (254 3770). Sleuth (Eisenhower). Stacy Keach and Maxwell Caulfield

vue's attections. (254 8679). Cabaret (Wolf Trap Festival). Joel Gray leads the cast in a week-long visit by the revival of the hit musical based on Christopher Isherwood's Berlin reminiscences of the 1930s. (432

star in the mystery pitting a writer against a mild-manner travel agent who's stolen his

Kabuki (Kabuki-za). The morning programme, at 11am, includes Kago Tsuruba, with Living National Treasure, Utsemon, in one of his most famous roles as a sophisticated courtesant who sulls a country humpkin. ho gulls a country bumpkin. who guils a country bumpkin. In the afternoon, at 430pm, the progamme includes Il Tairo, a "new kabuki play" set in the 19th century at the time of Japan's opening to the West, as well as one of the most famous works in the kabuki repetation works in the kabuki repetation works in the kabuki repetation. ertoire, Kanjincho (The Subsection List), in which a wily servant outwits his master's pursuers. Opens September 1.

(541 8131). (541 3131).

Opera-za no Kaijin (The Phantom of the Opera), Nissel Theatre. Japan's leading musical company, Shiki, acquits itself well in what is a virtual carbon-copy of the London original. The Japanese translation is often awkward, but Andrew Lloyd-Webber's off for musical particle. ber's gift for musical pastiche, Harold Prince's romantically evocative staging and Maria Biornson's stunning sets and sjornson's stunning sets and costumes make for an enjoyable evening whether you understand the words or not. Ends Septem-ber 20. (503 3111).

SALEROOM

Game for sporting guns
Traditionally the big salerooms closed down in August and eless guns Purdey built for King

£12.100.

closed down in August and September because their main customers were off shooting and yachting. Now they pursue them in their holiday pursuits, at least as far as Gleneagles where Sotheby's held a very successful auction on Monday. The key sale was of sporting guns, which produced a record

cent unsold. Potential shooters often have to wait years for a good pair of guns to be made for them and find it quicker and almost as cheap to bag a pair in the saleroom. The top price was £38,500 for a pair of "Royal Model De Luxe" game guns built by Holland & Hol-land for the Game Conservancy's 1983 raffle.

There is more interest these days in guns with a history

Edward VII in 1885 was well over estimate at £12,100. Another gun with Royal con-nections, a German 7mm double barrelled rifle built by Bar-rella in 1914 for the Czar of Russia, was at the top of its estimate at £4,400.

estimate at 24,400.

Game rifles were in demand, a .458 "Royal" sidelock ejector by Holland & Holland and fired only for regulation and sighting went for £26,400. An interesting item was a gun made by Physical for live winess about Purdey for live pigeon shooting. The world championship in Rome in 1956 was won by the Egyptian Emanuel Vafiadis with this gun, which made

Anthony Thorncroft

FINANCIAL TIMES

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Wednesday August 31 1988

UN credibility at stake

LAST FRIDAY the UN Security Council passed a resolution sponsored by four Western countries – Britain, West Germany, Italy and Japan — which not only condemned, once again, the use of chemical weapons in the Iraq-Iran war, but also stated for the first time that "appropriate and effective measures will be taken" if such weapons are used again by anyone any-where in the future.

That needed saying because, given the repeated use of poison gas by Iraq in the closing stages of the war, mere retrospective condemnation had begun to look like impotent hand-wringing. Unhappily, however, it seems that this warning may not have had the desired effect and may have to be followed up with specific punitive action if the Security Council is to retain any credibility on this issue.

The fighting between Iraq and Iran has now stopped, but the Iraqi regime has taken advantage of this to intensify its operations against Kurdish insurgents, hitherto backed by Iran, in the north of the country. The leaders of these insurgents claim that chemical weapons have been used against them, and against the Kurdish civilian population, and that this use has intensified in the weeks since Iran agreed to a ceasefire. One of them, Mr Masoud Barzani, has even stated that more than 500 people have been killed and 3,000 wounded in the latest chemical offensive, which started only last Thursday.

Prompt investigation

If that is true - and it has to be taken seriously: large numbers of Kurdish civilians are known to have died last March in the town of Halabja - there could hardly be a more brazen and provocative defiance of the Security Council's authority. It is therefore vital that these charges be promptly and credi-bly investigated. Up to now only complaints by the belligerent states about use of chemical weapons against their nationals have been taken up by the UN. But the wording of the latest resolution is broad enough to cover attacks by a state on its own nationals. The fact that the Kurds have

the misfortune to be citizens of the state which is attacking them must not be allowed to deprive them of protection against a flagrant violation of international law. Any member state of the UN can take the initiative of demanding an investigation and it would seem appropriate that this be done by the governments which sponsored last week's resolution.

Iraq should be asked to allow UN investigators immediate access to the area in question. Refusal would be virtually tan-tamount to an admission of guilt, but in any case it would be appropriate for Turkey also to be asked to allow investigators to visit the Turkish-Iraqi frontier, since it is there that many of the Kurds fleeing the alleged chemical offensive are now to be found.

Frontier closure

Turkey should also be asked to clarify, as a matter of urgency, the procedures applied to these refugees. The Kurds say that the frontier has been closed and that all would-be refugees are being either turned away or actually handed over to the Iraq authorities. Turkish officials have denied this, saying that only able-bodied males are refused admission on the grounds that their presence in Turkey might aggravate the considerable problems already caused by Kurdish separatist guerrillas within that country.

The Turkish attitude is suspect because Turkey and Iraq share an interest in suppress-ing Kurdish nationalism on both sides of the border, and have co-operated in doing so in the past. But Turkey, a member of Nato, surely cannot con-done the use of chemical weap-ons by Iraq, nor refuse sanctuary to women, children and wounded men who are

fleeing for their lives. The Turkish Red Crescent with assistance from the International Committee of the Red Cross, should be encouraged to provide for the immediate needs of these desperate people and the international news media should be given unim-peded access to the Turkish side of the frontier so that the world can get a clearer idea of what is really happening.

Wages rates in the Post Office

THE DISPUTE which has led to today's strike at the British Post Office is a symptom of the intense pressures for flexibility in national pay bargaining, created by the sauna-like qualities of the south-east's labour mar-

The strike is over the introduction of pay supplements of between £7.50 and £20 a week at 55 post offices in the south-east, to ease the recruitment and retention of postal staff. It highlights the troubling ques-tions of equity and efficiency raised by the skewed regional distribution of economic

The Post Office has particular problems retaining people for the first year of employ-ment in the south-east. Turnover rates in some offices are as high as 55 per cent a year. The Post Office is quite right, therefore, to seek to eliminate the inefficiency of high turnover costs, by introducing a measure of pay flexibility. It can also point to an argument from equity. An inflexible insistence on national pay rates would do little to benefit workers in Derby, but would damage workers in Croydon, who would be deprived of the compensation for soaring house prices that they need.

Motivation problem

But there are also arguments against moving to completely decentralised pay bargaining.
If workers believe pay differentials are unjustified, motivation and so productivity growth can be damaged, especially in an integrated national business like the Royal Mail. A worker in Liverpool who produces a service that generates the same revenue as a worker in London is bound to wonder why his wage is unrelated to that paid to workers in the same organisation, but resident elsewhere. Such attitudes are themselves an important constraint on what is sensible

for the Post Office. However, the Post Office's integration is not the only constraint on its room for manoeuvre. In terms of competition in the south-east's labour market. it remains part of the public sector. The civil service and local authorities are also introducing local pay supplements. But they are unlikely to be able to compete effectively with the banks, building societ ies, and insurance companies, which are offering much larger incentives to recruit staff. This leaves the Post Office in

an unhappy position. It may well be ridiculous for the UCW to call strikes over the issue, since local pay additions have been introduced by a large range of employers who have retained national bargaining. None the less, the proposed supplements are unlikely to be more than a small part of the solution to its problems, as other major employers will responded by competing still harder for the same limited

Mixed solution In the longer run the solu-

tion - for the Post Office and for the economy as a whole -will consist of a mixture of three elements: the movement of as much work as possible away from London to regions with high unemployment; the encouragement into the mar-ket, often on a part time basis, of alternative sources of labour already present in London and the South East - the long term unemployed, women returners, workers who have taken early retirement; and -last, but not least - improvements in opportunities for low-skilled migrants to move into the London region.

A general competitive tendency to raise the wages of unskilled labour where it is now in short supply will itself contribute to the first element in the solution. But all activities cannot be relocated else-where, letter delivery being a relevant example. This is why the Post Office (and other employers) must also take a flexible approach to the ques-tion of whom to recruit in the London region. What is also needed is a co-ordinated effort by local councils, business, and central Government to improve the availability of housing for workers on below

National pay agreements the City and from politics."

Lonrho was keeping coy about the identity of its author. employers' responses will only be effective in the context of a housing and jobs markets.

Stephen Fidler reports on bankers' growing unwillingness to contribute to new financing

Debt fatigue in Latin America

n August 1982, the Latin American debt crisis burst into the open when Mexico declared that it could not meet its foreign debt repayments. Six years later, masked by an outward calm, the crisis is entering a new and

Agitation and fatigue grows in debtor countries about the sacrifices needed to repay the debts in full. With elections due in a number of Latin America countries, opposition politicians are seizing on the debt issue in support of their cause. There is increasing scepcause. There is increasing scepticism about the ability of debtor countries to dig themselves out of the crisis without debt relief (Argentina is the current focus of concern). The willingness of banks to contribute to new financing shrinks.

Meanwhile, there are other factors at work that could threaten the ability of coun-tries to service their debts. Ris-ing US interest rates threaten to erase the benefits to debtor countries of higher commodity prices and doubts grow about the sustainability of six years of growth in the industrial world. In Mexico and Venezuela, lower oil prices pose a further difficulty.

The current accepted approach to the crisis - outlined almost three years ago by US Treasury Secretary James Baker – envisages the even-tual return of debtor countries to creditworthiness through growth-oriented economic policies. The policies would be supported by new loans from com-mercial banks and agencies such as the International Monetary Fund and the World Bank.

Doubts about the Baker Plan are now being expressed in dis-tinctly unradical quarters. Mr Barber Conable, the president of the World Bank, said in a memorandum in March: "It will be extremely difficult, perhaps impossible, to generate aggregate net flows for the heavily indebted countries in the necessary amounts exclusively through the concerted new money approach.

The "new money" approach calls for the periodic shaking down of all a country's bank lenders to provide new loans, followed by financing from the IMF and World Bank. Banks back the new money approach in principle, but increasingly show their distaste for it in practice.

Banks are criticised for not lending enough and taking too long to do it. "The record is plain," Mr Michel Camdessus, the managing director of the IMF, said earlier this year.
"Last year, net bank lending to countries with debt-servicing problems was negligible at best; the two years before, it was negative."

To tempt in banks whose interests increasingly diverge, every fresh new money package contains more and more

financing options. If a new money programme is agreed this year for Argentina, the deal will include for the first time an option which allows banks to capitalise interest. instead of putting up new

Banks participating in new money packages are increas-ingly angry about "free riders", banks which never put up new money but benefit from the interest payments. They make it harder and harder to raise new loans. (A recent resche ing agreement for the lvory Coast, written under French law but yet to go into effect, attempts to address this problem by punishing free riders, stopping servicing on the debt for banks which do not put up

new money.)
Yet, while he criticises the banks for not lending enough, Mr Camdessus's own organisation is itself receiving net repayments from many rescheduling countries. Commercial banks put up \$5.2bn in new money for Brazil in 1988 and 1989; the IMF takes \$400m out this year and contributes nothing next.
Conscious of the IMF's lim-

ited role, the World Bank has moved to bridge some of the gap. Its stamp has been needed to attract banks into newmoney financings such as Brazil's. In future, says Mr Cona-ble, the World Bank should increasingly be "facilitating other forms of financial relief, including debt reduction schemes." But it is severely constrained by conservative accounting and the need it per-

The danger lessens that the crisis could trigger international financial collapse

ceives to maintain a top credit

rating.
The conclusion of many bankers is that even with these efforts, sufficient resources cannot be transferred to the debtors. On this view, the next step should be a more formal approach to debt relief; the debate now centres on whether debt relief and new money packages are mutually exclusive or can be run successfully side-by-side.

The view that debt relief could provide a way out of the problem now gets a hearing at the highest levels in international banks and western gov ernments. Mr Baker himself earlier this year supported an approach recognising that the poorest debtor countries, mostly in Africa, do not have the means to pay their debts in

For banks, the large increases which many of them made last year in provisions on Third World loans paved the way to start selling the loans at discounts on the secondary market, thereby recognising

Bankers still voice strong

According to Salomon Brothers, the 13 largest US lenders reduced their develop-ing country loan portfolios by \$1.4bm in the first quarter, and by a further \$2.3bm in the sec-ond. In the year to June 30, Citicorp alone reduced its expo-sure to developing countries by \$1.88bn to \$9.45bn. The four hig California banks have cut their exposure in the same period by \$1.4bm. In 1982, Brazil's foreign bank creditors numbered more than 700; six years later fewer than half of those banks are

This fall in exposures, coupled with strengthening of bank capital, is reducing all the time the danger that the debt crisis could trigger inter-national financial collapse. The possibility of default by two or more of the largest debtors still presents a risk, but the dangers are now very much concentrated on a handful of US banks. Soon, even they will be

Bankers' long-stated objec-tion to debt relief is that it is a slippery slope. They cite the "moral hazard" involved: the worse a country behaves, the greater advantage it can reap from the deeper discount on its

The problem here is that moral hazard already operates: the "virtuous" are not rewarded. For example, Colom-bia, which has never rescheduled its debt, pays a higher interest rate on its loans than Brazil and faces problems this year in getting new loans from banks. Bolivia has already bought back nearly half of its bank debt, with a total face value of \$334m, at a mere 11 cents on the dollar.

An approach based solely on debt forgiveness has several undestrable implications, however. It would mean that countries which force debt writedowns will have to delay their return to the voluntary finan-cial markets perhaps for a ecade of more for all exi short-term trade and very specific project financing.

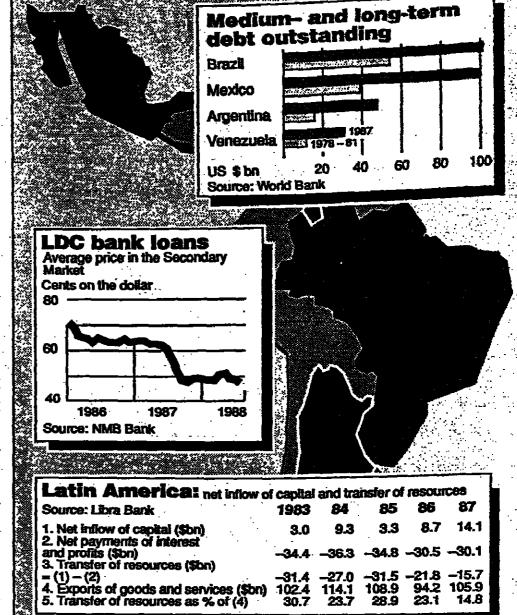
More significantly, wholesale
debt forgiveness will weaken

seized on this. Some have been attempting to capture this discount for their own benefit through, for example, debt-forequity programmes and bonds-for loans swaps.

objections to having debt relief forced on them. But this posiextent to which banks have already voluntarily recognised losses on their Third World

still creditors

creditors' hold over debtors. Once granted, debt relief can-not be ungranted. It therefore marks a sharp break with the principle of conditionality, the foundation-stone of the current approach which makes new financings contingent on the achievement of economic targets set by the IMF and World



The conditions laid down by western creditors are viewed as an arrogant imposition inside many debtor countries; discontent is fanned by domestic politicians throughout Latin America. The IMF is the bête poir of the debt populists: on developed country television screens, pictures of bank-ers at classy cocktail parties in Washington are juxtaposed with those of the poor in Rio's shanty towns. But it is not the IMF which ensures that the poorest 25 per cent of Brazil's people only receive 8 per cent of welfare payments and which insists that in Argentina, a country of 30m people, only

50,000 pay income tax. Conditionality has had only limited success in improving the management of the economies of debt-distressed countries, and has made only a few inroads into the web of entrenched interests underlying many of the

Achievements among debtor nations have been uneven and often disappointing. None the less, overall current account and trade positions have improved, economic growth has re-emerged in some countries, some key key debt ratios have fallen and important steps have been taken to create more competitive economies.

However, large transfers of resources are still being made

from the developing countries to the developed world. With banks reducing their exposure dramatically and the IMF and the development banks con-strained in the amounts they can contribute, there is little wonder that people have cast around for grander solutions to the crisis, such as schemes for wholesale debt forgiveness. Such heroic plans have been vetoed by western govern-ments, mainly on the grounds of their cost to tax payers and on what they say is the need for a case by case approach to the debt problem.

The case by case approach will almost certainly continue, but it is increasingly likely to include debt relief measures. The next clear western govern-ment move on the debt crisis is likely to come from Washington. The growing consensus that the current approach can offer no solution may combine with the arrival of a new President to ensure the next st of the debt crisis is managed, rather than erupts.

The finance package now being raised for Brazil shows, indeed, that new money and debt reduction are not necessarily mutually exclusive. Bra-zil's debt servicing is being reduced, with \$5bn in low-in-terest "exit bonds" being exchanged for loans, while \$5.2bp in new funds are being raised. Mexico is likely soon to announce another bonds-for-

At last, project

management that

loans package to reduce its

Even without fresh western government initiatives, Brazil's bank advisory committee believes debt reduction schemes can help reduce the country's long-term bank debt to \$47bn by the end of 1993, a fall of \$19bn from the level at the beginning of this year. Of this, more than \$7bn could be wiped off through debt-to-eq-nity swaps, it estimates. The total interest savings could reach \$50n by the end of the

This view of debt reduction. will be regarded as over-optimistic in many quarters, yet if banks do not seize these opportimities to evolve a debt forgiveness strategy, they will no doubt find debt relief forced upon upon thèm. Angei Gurria, Mexico's respected debt negoti-ator since 1982, has this to say in a contribution to a new resilience and greater strength to avoid change and continue to allocate the brunt of the burden to debtor countries, the ghost of massive, even concerted, default may reappear, and uncertainty and confronta-tion will lay all our efforts to

*Managing World Debt. Ed. Stephany Griffiths-Jones. Pub-lished by Harvester-Wheatsheaf. London, and St Martin's Press, New York

Long

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To tay

New book on Lonrho

They may not be in the Pulitzer class, but Tiny Row-land and his Lourho group are trying hard. Yesterday came a 185 page volume entitled "A hero from zero" with chapter headings such as Pharaonic Fantasies, Eastern Folly and Hapless Harrods.

It is the latest and biggest of a succession issued over the past two years by Rowland to support his campaign against the Egyptian Al-Fayed family, which in 1985 managed to take over the House of Fraser stores group, and its flagship Harrods, from under the nose of Lonrho. Department of Trade inspectors have also been investigating the takeover and have recently

completed their report.

The latest volume, which includes many colour illustra-tions of obscure legal docu-ments and the back streets of Cairo, must have cost Lonrho no small sum to produce (though it was printed by the group's own subsidiary Greenaway-Harrison). Some 10,000 to 20,000 copies are being dis-tributed to merchant bankers, MPs, laywers and the media.

One of the main purposes is to put pressure on the Government to publish the DTI inspectors' report. To date, ministers have only said that if the report is published, it will be published in full.

The inspectors may find the Lonrho style hard to match. between the potted orchids and the perfume-injected air, was the delicious smell of money, and it attracted many, many influential visitors from

Jealous wives more concerted collective JCAIOUS WIVES attack on linked failures of the

Observer

ing women ratings to sea in a Nato exercise. A dozen Wren reservists will participate in Teamwork 88, starting today, along with 45,000 allied person-

Communications ratings from the Women's Royal Naval take on onshore tasks, are due to sail from Plymouth next Monday with a joint UK-Dutch amphibious force bound for Norway. Commanders, per-plexed at the level of media interest, emphasise that Brit-ish policy does not envisage sending women under fire. There is another reason,

however, why the Navy is shyabout going the way of the Danish, Dutch and US navies in incorporating women full-time. A senior officer admitted that the main problem was the threat of a revolt by Navy wives, sensitive to the thought of their husbands going to sea in the company

Are their worries justifiable? Quite justifiable," the officer

Bonham's niche

■ Bonhams, fourth in size among British auction houses is trying to shed its image of being the family firm whose main worth is its Knightsbridge premises and whose chief function is to be used by furniture dealers to dispose of surplus stock.

Last year Nicholas Bonham brought in two heavyweights from Christie's South Kensington, Paul Whitfield and Christopher Elwes, to provide a face lift. The saleroom has been converted into a yuppie playground, aimed at attracting local private buyers rather than the discount hunting antiques trade. Three non-executive directors have now come



do with biting private couriers for 24 hours. The Duchess of Devonshire,

who lives round the corner and is a devotee of Bonhams picture sales, will be expected to give advice on style and to make useful introductions. Peregrine Pollen, who started Sotheby's operations in the US, will satisfy Bonhams mod est overseas aspirations. Gurth Hoyer Millar, who masterminded the Home Base operation of Sainsbury, will provide retailing muscle as non-executive chairman.

Amnesty Rock

"I am not a rocker," says Franca Sciuto. But that is precisely what the head of Amnesty's International Executive Committee is going to be, very willingly, for the next six weeks as she hits the road to 20 cities and several continents with Bruce Springsteen, Sting, and a cavalcade of rock stars, under the banner of the Human Rights Now campaign which starts in Wembley on Friday night.

Times Scinto admits have changed since her early involvement in activism, for an independent Algeria and a united Europe. The rock tour, costing an estimated \$25m and using two airliners plus a travelling band of doc-tors, technicians and even ma, is not completely new for Amnesty. Two years ago, Jack Healey, who runs the American branch, set up an independent foundation to send U2, Peter Gabriel and others on a US tour. The same non-profit organisation is behind this venture. Also involved this time with

underwriting guarantees is the Reebok Foundation, itself established by the company which makes sporting shoes etc and which, perhaps, most symbolises today's young affu-The benefit for Amnesty, Sciuto reckons, is not financial but lies in promulgating greater awareness of the Uni-

versal Declaration of Human Rights, 40 years old this year. Audiences at each show will be given pocket-sized replicas of the declaration to sign; thes will be collected and presented to national governments.

Post early When Alan Tuffin

announced that his UCW postal workers' union was planning industrial action (that is, a strike), he did have one reservation. "Let's hope we can get our instructions delivered on time," he said. In the event his fears came true. Most of the letters, sent

out first class on Saturday, arrived yesterday morning, but not all of them. At Cromer, Norfolk, members of the sort-mg office had read about the strike, but had received nothing official from the union when they went home after mid-day. "We are going to come in until we hear differ-ent," said one union official, even though he supported the

cuts through misunderstanding, uncertainty and costly mistakes. During the past five years Fuller Peiser's Project Managers have handled over 3 million sq. ft. of office. retail, factory and warehouses. For dients ranging from small private companies embarking on their first development, property developers, and multi-national household names such as British Aerospace, Tesco, Black & Decker, Vickers and Texas Homecare. Your Project Manager will get involved in every aspect of your scheme from inception and space use planning, right through to final completion. We make sure that your project is built on time, on cost and that you obtain value for money. If you would like to know more about our service, telephone Melvyn Pratt on 01-353 6851.

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المكذاحة لأصل

As a new season opens, Philip Coggan looks at the problems facing English soccer

Trying not to score an own goal

s the saying goes, football is suffering from a severe case of psitacosis — it is indeed as "sick as a parrot." in England, the new league eason started at the weekend with its reputation at an all-time low. In the view of the game's critics, its supporters are unique in their capacity for violent behaviour, the national team is outclassed by foreign opposition; and the club structure is outdated and ripe for reform.

yd-fetti

Many of football's problems are far from new. Crowds have been dwindling ever since the peak season of 1948/9 when league soccer attracted nearly 41m speciators. The nadir was reached in 1965/6 when overall attendances fell to less than 17m, but even last year's improved figure of 18m was still well down on the totals achieved in the early 1980s. Nor is violence a recent phenomenon. The term football hooligan was commonplace in the 1960s and sociologists can point to crowd trouble well before the First World War.

Despite all the pessimism, enthusiasm for playing the game remains undiminished. According to the Football Association, the number of football clubs (44,000) in England is an all-time high. The English Schools' Football Association believes there are more schoolboy soccer tournaments than ever before.

Although faced with compe tition from newly-imported sports such as American football and judo, soccer retains its popularity at the grass roots because it is a simple game to organise and play. No fancy equipment, no complex rules; an old tin can as a ball, and two discarded jumpers as goal-

posts is enough.
Nevertheless, to compete at
the world level, rather more
sophisticated facilities are needed. What concerns comis that recent competitions, like the European Championship, have shown that English players have less technical

ability than their rivals. Since there is no reason to suppose that English footballers are naturally any less gifted than European players, the problem may lie in the coaching system. The Football Association makes valiant attempts - over 150,000 young-sters receive coaching help of some sort every season - with the best being nurtured at a

 $\label{eq:constraints} (x,y) = (x,y) + (x,y)$



national school at Lilleshall, Shropshire. Nevertheless, Hill still

believes that England is at a disadvantage compared with its European rivals. "In other countries, youngsters become associated with professional clubs at an early age," he says. In England, however, young players cannot go on a club's books until they are 14; by that time, bad habits may have been formed and good habits become harder to inculcate.

The so-called skills gap may have other consequences. "If players were more skilful and managers were more attack-minded," Hill believes "the crowds would be attracted back to the game."

There does seem to be a general perception that football lacks some of the "characters" and excitement it had in the past, when crowds were happy to appland stars like George Best and Stanley Matthews, whichever team they played for. "Had I been a paying spec-tator at the games I commentated on last season," says Andrew Cheal, a freelance broadcaster, "I would not have been satisfied with the enter-

tainment provided." However, the chances of immediate improvement in professional playing standards appears slim. The summer's disorder at the European Championship in West Ger-many means that English clubs have little chance of being allowed back into European competition in the imme-

International competitions

not only bring in much-needed extra revenue, they provide a testing-ground for the better British players. English sides have found that some of their big names have been lured abroad, if only as far as Scotland, whose clubs have not been banned from Europe.

Within the present league system, the emphasis on win-ning at all costs restricts the scope for players to develop and parade their skills. Players are too often judged by their "work rate" — their willingness to run back and forth and to harass opponents - rather than their ability to make a

Jimmy Hill believes that a system which gave teams extra eague points for greater goal scoring might encourage sides to be more adventurous. Others believe that only a national "super league", containing the top 10 or 12 best teams, will allow sophisticated and attacking football to flourish.

It could be argued that a de facto super league exists already. Liverpool have been champions of the First Division for nine of the last 13 seasons; together with their Mer-seyside neighbours Everton, they have been champions on 13 of the last 19 occasions. Eleven clubs shared the first 17 post-war championships; just 8 clubs have captured the subse-

What is even more striking is that if the circle is widened to cover the top two teams in the First Division, the number of clubs which have shared the the life-prolonging elixir comes from television, after football's negotiators temporarily found themselves in a strong position because the satellite company
BSB had broken up the old
BBC/ITV cartel. A TV deal
with BSB and the BBC deal (covering FA Cup games and internationals) and an ITV deal (covering league games) collec-tively guaranteed the game 74m over the next four sea-Being supported by televi-

sion, however may prove akin to being rescued from drowning by a crocodile. It is true that TV coverage has spin-off benefits like bringing in more sponsorship money, but it also encourages sports to depend too much on outside backers and not enough on getting crowds through the turnstiles.

If viewing figures fail to justify the money spent by the TV companies, they will reconsider their commitment and if television goes, the sponsors are likely to follow. So (as American football has found) the televised game would be in a poor position to resist demands for change from its paymasters — such as breaks for commercials every 15 min-utes or penalty shoot-outs to

decide drawn games. It is rumoured that Mrs
Thatcher asked, at the "football summit" which followed
the scenes of disorder at the
European championships, whether soccer could not be played behind closed doors and be solely supported by com-mercial sponsorship. True or not, football insiders are virtually unanimous in resisting the current solution to the vio-

lence problem - a govern-ment-imposed national membership scheme. They believe it would be costly to implement and would eliminate the casual upporter. After years of appearing sheepishly guilty about soc-cer's associated violence, foot-ball's authorities are now

much more reluctant to accept responsibility for hooliganism. They claim that they have done everything possible inside grounds to prevent trouble: outside the grounds, they say, a hooligan is just a hooligan. But soccer's reputation is now inextricably linked with thuggery in the public (and perhaps the Government's) mind. The atest fear, as the new season begins, is that further vio-lence may provoke even more drastic curbs than the member**Congestion in London**

The private path to clearer roads

By Stephen Glaister and Tony Travers

n opportunity to do something about congestion in London is now approaching. The opportunity springs from the current fashion for private investment in public infrastructure. The Channel Tunnel, the Heathrow-to-Paddington rail link and the Dartford Bridge each dem-onstrate that private cash can be generated to build what would, until recently, have been thought of as solely pub-ic projects.

lic projects.

Traditionally, governments have put up taxpayers' money to pay for new infrastructure or improvements to existing assets. Thus, cities like parts and Hong Kong have put yest and Hong Kong have put vast public resources into fast and efficient underground and railway systems in an attempt to lure commuters off roads. Equally, governments in Britain have held back from investment on a scale necessary to relieve the congestion now threatening London's long-term future as a world

centre.
Interestingly, it is the major projects which will further add to congestion and travel in London which point to the huge resources that could be made available to improve transport infrastructure. Canary Wharf, Kings Cross, Paddington, the Channel Tun-nel terminals, the new coach terminal, Stansted and its London terminal, the general expansion of civil aviation and tourism, and later, the development of the Royal Docks will all add to the need to move about London by public trans-port. There has already been a 40 per cent increase in peak travel on the Underground between 1981 and 1987. New road building is unlikely to be an adequate solution. The question is, if this government is reluctant to invest the whole of the vast sums needed to build new underground rail-ways, how can private resources be tempted into such developments within the exist-

ing city centre?
The key to unlocking private esources for new underground railways lies in making those who will use them pay more and in finding creative ways of allowing developers and existing businesses to realise the financial benefits to them of beneficiaries may understate having better infrastructure their expected benefit from a

near their offices or factories. Extracting resources from users or benefiting land owners could be done on an involuntary or voluntary basis. There are thus four possible kinds of contribution:
• Involuntary contributions

from users.
The obvious example of this would be a general fares increase, though this would be blunt and inequitable. Higher fares for all users might be acceptable if the additional yield were used for expanding existing capacity. Higher fares only on a new line is an attrac-tive possibility, though it would be hard to integrate such higher fares into the zoned fare structures. Other possibilities include a hypothecated tax on employees (one dedicated to infrastructure spending) which could be levied differentially according to Involuntary contributions

from land owners/businesses. A number of possibilities offer themselves. A hypothecated sales tax could be applied to retail areas, as has been used in Vancouver, Houston and Tokyo. A differential tax on the capital gain on land around new developments is another possibility, as would be a fee for the granting of planning permission. Such "fees" are currently extracted in a haphazard way by local authorities in the form of "planning gain".

• Voluntary contributions

It is unlikely that individuals would donate resources for new infrastructure. But note the Channel Tunnel idea of offering purchasers of its shares discounted trips, thus reducing the cost of raising the required equity finance.

• Voluntary contributions

Where there is a single, large beneficiary and a single, large developer then a straight forward bilateral negotiation is possible and appropriate. Where there are many beneficiaries, there are two fundamental problems. First, there is the difficulty of organising a cohesive unit capable of carrying on negotiations. Second, there is the real possibility of "free riding", whereby some

project in the hope that others will finance the scheme. There are a number of ways in which free riding can be avoided. First, the railway developer could become the developer could become the land owner. Land value increases can then pay for the railway. Second, a joint promotion is possible between the rail and land promoter and land owners (for example Bethesda station, Washington; Bloor Hayden Townto). Where Bloor Hayden, Toronto). Where there are several benefiting land owners, there may be suf-ficient interest to form a consortium which could promote a new line with the railway authority. Finally, it might be possible for the railway developer to auction capacity on a new line to beneficiaries in

advance of the line being built.

Those who did not pay up in

advance would not receive

rights to preferential, lower cost space on the new line. It is probable that a combination of ways must be found to ensure that private capital can be tempted into the solu-tion of London's transport problems. Higher general fares could pay – at least in part – for increasing capacity on the existing system, while agreements between a consortium of beneficiaries and London Regional Transport or British Rail could pay, again at least in part, for new lines. Selling or auctioning capacity to developers is another possibility. Short-term local taxes on business might be a convincing step if the use of the money raised was seen to be used solely to improve transport infrastructure. Charging for the use of roads, as recently suggested by the Metropolitan Police Commissioner, would mitigate road congestion (so improving bus services) and also provide substantial locally-generated finance for rail

investment. The next few years offer an opportunity to reduce London's congestion in a way not achieved in the past. If there is not ingenuity in the private sector and flexibility in govern-ment, there is a danger that the opportunity will be lost.

Stephen Glaister is Cassel Reader in Economics and Tony Travers Greater London Group Director of Research at the London School of Economics.

despite the control of the control o **LETTERS**

Public and private balances are interdependent

From Dr John Eatwell.
Sir, Your leader of August 26
("Tackling the deficit")
endorses as "true" the Government's assertion that "the current account deficit . . . will prove self correcting, because it has been caused by private rather than public sector bor-

rowing. But that assertion embodies a fallacy: that private and public sector balances are indepenThe balances are in fact interdependent, and hence the simplistic attribution of cause is profoundly misleading.

A substantial proportion of the state ariginal accounts are proportion.

security expenditure. Hence (even ignoring the dis-

today's private sector borrowing ends up as payment of VAT, corporation tax or income tax— and rising private expenditure, via increased employment, contributes to the reduction of government social

tortion introduced by the accounting conventions for asset sales) the Government's current deficit fell as private

Nigel Lawson, the Chancellor, hopes - and with it the rate of

operates according to the "fal-lacy of independent balances," and attempts to prevent the rise in the deficit by cutting expenditure or increasing current revenue, he will exacerbate the downturn. John Eatwell. Economic Adviser to the Leader

and a rise in the fiscal deficit.

If, then, Mr Lawson (like Sir

Geoffrey Howe before him)

honours in the last quarter

century only increases to 12. Even if third place is included,

the total rises by just five

for more obscure clubs to seize

the limelight, as Wimbledon

illustrated in winning the tro-phy last season. Even so, one

team from the famous five that

makes up football's élite -Liverpool, Everton, Manches-

ter United, Tottenham and Arsenal – has appeared in each of the last 13 finals and in

Given this concentration, why not replace the unwieldy

system with a super league and just one other professional

division? The remaining league

sides could become semi-pro-fessional, establishing competi-tions like the GM Vauxhall

Conference, the flourishing

grouping currently placed just below the league's four divi-

At present, the lower divi-

sion teams have little chance

of ever attaining solvency and

many face long and bitter

struggles to escape from the

jaws of property developers. However, tradition is powerful,

preventing football's authori-

ties from opting for radical reform. "I'm a 92-club man,"

says Jimmy Hill, "no other

country has a major competi-

tion which embraces the whole

.Without reform, the system

staggers on from year to year like the male lead in an opera,

endlessly prolonging the

club, four division league.

The FA Cup gives a chance

more to 17

23 of the last 27.

of the Opposition, House of Commons, SW1

Land values are the key

Sir, Clive Wolman suggests (The Long View, August 27) that we adopt Mr John Muelibauer's proposals to impose income tax on imputed rental income in order to encourage a UK domestic rental market. This is to compound an existing distortion with another.

A more elegant solution would be for the Government to collect the rental on all unimproved land values in place of some - or all - direct

taxes. (After all, it is not higher building costs in the UK south east which make housing more expensive, but higher land values.)

This would remove the speculative value of land, and result in the provision of housing at affordable costs through true market forces. Colin Gibson, 16 Southvien Road. Blanefield,

contra-flow system had been relegated to history, and the

across 594 employers (though the survey was conducted at the establishment level). Where the survey fails is that it does not measure the "depth" of penetration of flexi-

For example, it found that 25 per cent of establishments had-brought in "greater flexibility of crafts and skills." When this of crafts and skills. When this measure is probed further, it is not possible to distinguish between the merging of, say, "like" or "unlike" craft trades. Nor is it possible to establish the extent of growth of the production operator job into routine maintenance work. Without some measure of the extent of penetration of change in actual job content of traditionally narrow jobs, we cannot objectively assess the extent and utility of the concept of "flexibility".

"flexibility".

If detailed analysis is made of everyday tasks which can be shared between both produc-

'Flexibility' should probe deeper From Dr Michael Cross.

Sir, The Acas (Advisory, Conciliation and Arbitration Service) survey of labour flexibility undertaken last year provides a useful market survey of the extent of "flexibility" fast moving consumer goods manufacturers make use of the extent of "flexibility" and the extent of "flexibility" fast moving consumer goods manufacturers make use of the extent of "flexibility" and the extent of "flexibility" fast moving consumer goods are an extent of the extent of "flexibility" fast moving consumer goods are accepted to the extent of the ext main types in the food and drinks industries slone) the

drinks industries alone) the operators' job may absorb between 70 per cent and 85 per cent of the existing mechanical fitters' job — which in turn can take on about 40 per cent of the existing electrical and instrument craft job. How many firms surveyed by Acas have gone this far in overlapping craft and operator roles?

Only when detailed measures of the extent of role overlap are established shall we have a robust picture of the extent of significant change from past practices, and the extent of the creation of new jobs. Until this is done, almost every such survey will consider the creation of the creation of the creation of the creation of new jobs. Until this is done, almost every such survey will consider the creation of the creation every such survey will con-

every such survey with the to fuel opinion-led debate, rather than advance understanding of flexibility per Michael Cross. 37 Balmain Closs. Grange Road, W5

borrowing rose.

If the rise in interest rates substantially reduces the private sector deficit — as Mr

economic growth, there will be a sharp fall in tax receipts, an increase in the Government's

social security expenditure.

Contra-flows could end

From Mr J.T. Jennings. Sir, Now that a civil engineering company has demon-strated its ability to resurface and restructure the main runway at Gatwick airport with no disruption to daytime traffic, no doubt the Department of Transport is actively seeking its services in regard to the national motorway network. However, could we readily accept a future in which the

present endemic delays suf-fered by motorway and trunk could probably survive a serious decline in the plastic bollard-making industry - but could "a surging economy" bear the additional impetus resulting from the reduction in costs to industry as a whole? J.T. Jennings, Brook House, Church Street Fontmell Magna, Shaftesbury, Dorset

Ireland's new arts centre

From Mr Tony O Dâlnigh Sir, William Packer's enthusiastic words about the Royal Hospital Kilmainham (Arts page, August 23) are very heartening. I would like to clarify one important point.

It is not accurate to say that the Royal Hospital Kilmain-ham "has yet to be assigned a permanent role." Since 1985, under a state appointed board of directors, it has been fulfill-ing the functions, laid down by Republic of Ireland govern-ment decision, of an important ment decision, or an important arts centre, with a busy pro-gramme of concerts, exhibi-tions, lectures and other events; a venue for state recep-tions, conferences and commer-cial functions; and as a build-

Mail monopoly preserved

From Mr Peter Clarke. Sir, The disruption and trib-ulation of the prospective mail strike will accelerate the sales of fax machines so we can opt out of the Royal Mail, but the threat would be marginal or non-existent if the Department of Trade and Industry did not preserve the mail monopoly.

ing to be visited for its own

With regard to the new Gal-lery of Modern Art, the Irish Government decided in Octo-ber 1987 that this would be located at the Royal Hospital Kilmainham, and 1£500,000 has been allocated from the national lottery funds for this

purpose.

We are very pleased that it was possible to house the magnificent selection from the George Costakis Collection and elements of ROSC '88, before work on the new gallery gets nnier way. Tony 6 Dalaigh, Director, The Royal Hospital Kilmainham Dublin 8,

Private carriers could deliver letters, just as they do milk and newspapers. Why is the DTI so hostile to competition?

Peter Clarke, Kirkton House, Kirkton Manor,

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FINANCIAL TIMES

Wednesday August 31 1988

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Turkey bleeds from a concealed wound

Andrew Murray examines the struggle of Kurdish radical nationalism

USE THE word "Kurds" to a Turkish official and he will look pained. Officially they do not exist in Turkey and their very name is a rule word in Turkish political circles – but one which anchors the country in one of the most brutal situation. tions in the Middle East.

An estimated 10m of the country's 56m citizens (the Kurds of south-eastern Turkey themselves often claim 20m) count as Kurdish, speaking a language and preserving traditions very different from those of the majority. They are concentrated in nine provinces, bordering Iran, Iraq and Syria, and, in this area, are an over-whelming majority. Since August 1984, a guer-

rills campaign has been under way among this population, led what was originally a Marxist splinter group, the PKK (Kurdish Workers' Party) bent on setting up a separate state, a goal which would involve redrawing the frontiers of Tur-

key, Iran and Iraq.
The Kurds inhabit a back-ward and mountainous region. Almost their only strength lies in their overwhelming major-ity in Turkey's difficult-to-control eastern provinces, where until recently even Turkish currency was not accepted. There is also a growing minority of Kurdish immigrants in Turkey's large indus-trial cities in the west, mostly working in the worst-paid jobs in places such as Istanbul and ir. It is here that Kurdish radical nationalism may have been born.

Apart from providing a threat to the country's internal security, the Kurds also provide Turkey's knottlest foreign problem, embroiling it in secret negotiations with Iran, Iraq, Syria and the Soviet

Union.
Iraq, which shares Turkish opposition to Kurdish nationalism, has proved the easiest for the Turks to strike a deal with.
The Turkish army has permission from Iraq to cross its

TURKEY HAS discussed the tense situation on its southern borders with Iraq as growing numbers of Kurdish refugees cross to escape Ragidad's campaign against Kurdish sugaril. paign against Kurdish guerril-ias in northern Iraq, writes Jim Bodgener in Ankara. Mr Nuzhet Kandemir, the Turkish Foreign Ministry Under-Secre-tary, covered the issue in scheduled general talks in Baghdad yesterday and on

The Turkish Government yesterday denied that it had closed its border to the refugees. It has made no statement

northern frontier to control

Kurds in the mountainous

region where the official Iraqi

Government has no regular

about once a year since it was granted in 1984. When the Turkish army does cross into Iraq to punish Turkish and Iraqi Kurds, it also fights peo-

ple largely armed by Turkey's neighbour, Iran, which enrolled the Iraqi Kurds in its war with the Baghdad regime. While the Kurds get most of

their support from either, or both, sides in the Gulf conflict,

the Soviet Union, with a small

Kurdish population of about 250,000, is host to an interna-

tional radio station broadcast-

The Soviet republic of Armenia provides moral, and perhaps military, support to the Kurdish insurgents in all three countries. Yerevan, the capital of Soviet Armenia,

along with Athens, is among the few cities in the world where it is chic to be Kurdish.

Syria, Turkey's other neigh-bour, in the past also played host to Kurdish groups. Abdul-lah Occalan, leader of the PKK,

is reputed to live in Damascus.

After years of rivalry, Tur-key and Syria are now at pains

ing in Kurdish.

This right has been exercised

Unofficial reports yesterday said the number of refugees already in Turkey had reached 35,000, with many more waiting to cross. However, promised Ankara last summer that it would prevent Kurdish guerrillas from crossing the relatively open frontier and using Syria as a supply base

so far about the refugees or their numbers, other than that it has no obligations towards

them under international law, but would take any necessary measures to protect the secu-rity of its borders. Turkey's main opposition Social Demo-cratic Populist Party has

called on the Government to give asylum to anyone seeking refuge from the fighting.

for raids against targets inside Turkey. Some support for these "ter-rorist" groups, particularly the PKK, can also be found among the Turkish student population

in Europe.

All this adds to the suspicion among the Turkish military that Europe and the US may provide support for Kurdish terrorism. A resolution in the European Parliament in July t year was blamed by President Kenan Evren for causing a massacre by the PKK two

Apart from their military weakness, deeper problems stand in the way of the Kurdish nationalists: they lack a single standard form of their language and even a recognised script in which to write Two major Kurdish dialects.

not mutually intelligible, are spoken in Turkey - Kurmanci and Zaza. Public use of both is banned and reports are wide-spread of Turkish soldiers beating villagers for speaking in them. During the 1970s several magazines came out in Kurdish, written in the Latin alpha-bet. Few Kurds were able to read them. The Kurds in Iran agreement against Kurdish guerrillas operating from each others' tentitory to follow up the refugees, the Defence Minister, Mr Ercan Vuralhan, was quoted as saying in yesterday's Turkish press. In recent years, the agreement has been used several times by Ankara in retaliatory cross-border strikes against alleged guer-willa bases in Iraq. rilla bases in Iraq. and Iraq write Kurdish in the Arabic script and are markedly more Islamic and Middle East-

observers think the number is

nearer the 6,000-8,000 being

Turkey would not permit

Iraq to invoke a "hot pursuit"

agreement against Kurdish

quoted on Monday.

ern than their Turkish breth-There is a long Turkish government tradition, dating from the 1920s, of dealing with Kurdish disaffection by military force. Recently, for example, helicopter gunships were used to kill 20 "terrorists" in southastern Turkey. Martial law has been lifted

in the south-east, but the region remains de facto under military rule, headed by Mr Hayri Kozakcioglu, a regional super-governor and a veieran intelligence of the state of the super-governor and a veieran super-governor and super-governor an intelligence officer. Some improvements have been made in response to protests by Amnesty International and other human rights groups. The biggest prison in the region at Diyarbakir, where most Kurdish nationalists are held – including the town's former mayor, Mr Mehdi Zana, who is serving a 24-year prison sentence for his nationalist opinions — is now under civil-

opinions - is now unuse tavarian control.

Meanwhile, the guerrilla war drags on with astonishing cruelty on both sides. Last year, official government figures gave the number of dead in the war as 600, a figure where. seemed low to outside observers. The only firm information

Turkish military communi-ques, ascribing all outrages to Kurdish terrorist activities. As a whole, the diplomatic

SYRIA / IRAQ

TURKEY

200 killing 200 Kip

USSR

feeling in Ankara is that the Kurdish problem is overstated by those few who write about it. "There is national conscription in Turkey," said one senior diplomat. "The country is being pulled together to form one people,

Rurds point out that the

experience of non-Turkish speaking youths conscripted into Turkish army barracks being shouted at in Turkish, the use of Kurdish being absohitely forbidden, is not one to encourage a sense of national solidarity.
The official Turkish reaction

to all this is two-sided. "Turkey has been able to eradicate ethnic differences with a one-language, unified culture approach," Mr Adnan Kanveci, a special adviser to the Turk-ish Prime Minister, wrote last

year. But it is certain that large numbers of people are being killed by both sides, and that the army is unable to stop this while the Government has no new policies to offer, despite talk of a campaign to win hearts and minds. The example from across the border of Iraq dropping chemical bombs on its own Kurdish villages is not

None the better for the break

THE LEX COLUMN

Anyone who supposed that London would recover its nerve over the Bank Holiday weekend was swiftly disabused yesterday. The FT-SE's 25-point tumble in the first two hours of trading was a slight surprise after the resilience of Wall Street and Tokyo on Monday. A glance at sector performance, though, was enough to show that last week's preoccurations interset rates and pations - interest rates and sterling - are still to the fore; hence the rises in overseas earners - BAT, ICI, Glazo - and the clearing banks, and falls in building insterials and

contractors.

A further slightly ominous sign for the market overall was the weakness in a number of bid stocks. This is no time. after all, to be issuing paper for acquisitions, and the ever-rising cost of cash must be giving the corporate raider pause. If leverage had regained any popularity after the crash, it looks to have lost it again. In its wor-ries over interest rates, London is unlikely to find comfort overseas; indeed, in the absence of news on the domestic economy, the threat of ris-ing rates in the US and Japan is likely to become one of its

Williams

Holdings To pay 24 times earnings and seven times more than asset value for a maker of posh kitchens just as the brakes are being applied to consumer spending might seem a little rash. However, Williams Holdings — which has proved far better than most at spotting the bargins — evidently thinks Smallbone cheap at £34m. Far from going for traditionally defensive sectors, it is making a conscious move up-market, on the grounds that anyone rich enough to spend £40,000 To pay 24 times earnings and

rich enough to spend \$40,000 on a kitchen - or on one of its fake Victorian cedarwood conservatories come to that - is oblivious to an extra point or two on base rates. As Williams has not made a dud acquisition yet it would be brave to quib-ble with this one, especially as it does not seem to dilute earnings, even in the short term. Yesterday's 10.5p fall in the share price to 282.5p said more about the market's nerves than. about any wavering of confi-dence in its favourite mini-con-

The size of the deal itself and market's reaction to it suggests that Williams has wisely stopped trying to defy the bear market. Having got away with the big Berger acquisition

giomerate.

Williams Strare price relative to the FT~A All-share index

Sep'87 Jan 1988 Aug

immediately after the crash, it-seems happy to limit itself to smaller targets until conditions improve. With the benefits of merging the two paint businesses still to come, it can afford to be cautious. For the next two years it can probably hold earnings growth close to the 25 per cent shown in yesterday's interims — although the alim financial information provided makes forecast earnings look a lift filman. ings look a hit filmsy. Nevertheless, given growth of that order the shares look more than comfortable on a market multiple, especially now that they yield nearly 6 per cent.

Market making

As the war between London's equity market makers hots up, it is quickly becoming clear that there are other weapons to hand besides the reduction of spreads. Yester-day Phillips & Drew, in a pointed display of muscle, was matching the market's best bid and offer prices in the great majority of alpha stocks; but in a development of perhaps equal importance, it was in almost every case quoting only in the minimum allowable size of 5,000 shares.

it has had enough of using its capital to service not just its clients, but the market as a whole. By quoting only in negligible size, it has relieved itself of the obligation to deal; institutional clients will be accommodated as before, but be turned away. If this became general practice, the smaller and weaker market makers would be in immediate trouble. Lacking the client base to unwind their positions through the institutions, they would no longer be able to fall back on the market itself; and agency brokers like James Capel, too, would exist only on sufferance.

In effect, P&D is saying that

This is certainly not how the This is certainly not how the SEAQ system was meant to operate, and may not be desirable either. Institutions which are presently enjoying narrow spreads should reflect that if brokers are not to be held to the prices they display, the market becomes less open. Information - and pow-er - thus passes from client to broker, and institutions will broker, and institutions will have to revive the dealing skills they needed in the days before Rig Bang. It is not yet clear how far P&D's example will be followed, but it is milkely that the broking and will be fought on spreads alone. Lasting market share, after all, cannot be based on mere execution; research and marketing maycommand loy-alty from clients, whereas the market maker is only as good as his last deal.

Volvo

Volvo is cheap; or at least, it looks it. On the face of things, the company's prospective multiple of around 4.5 times earnings – half the Swedish market average — and the gap between liquid assets of SKr35bn and a market capital isation of Skr25bn might look like the stuff to interest more than just the Swedish investor.
And even yesterday's 11 per
cent drop in half year profits
can plausibly be blamed on a
freak strike earlier this year,
without which half year profits would have risen by nearly 15

But when Volvo president Gunnar Johansson pronounces the company stronger than ever, one can be forgiven for thinking this refers more to the balance sheet than to Volvo's trading prospects.
Exports to the US were down
17 per cent in the first seven
months of this year, although
they seem now to be levelling off; and although trucks are performing strongly, cars still provide some two thirds of operating income, and profits could be hit if the long-awaited downturn in the European industry finally arrives next year. Meanwhile, Volvo's cash embarrassing for being diffi-cult to dispose of profitably; now that Euro-hype has inflated multiples for food groups, further diversification in this area would prove expen-sive. And with earnings expec-ted to remain flat through the end of the decade, Volvo could go on looking cheap for some time to come.

Brazil acts against foreign mining groups

By Ivo Dawnay in Sao Paulo

BRAZIL is to prevent foreign probably next month. ing operations on its territory. New risk contracts for oil exploration companies are also to be banned.

The Brazilian Congress, currently completing the final and definitive draft of the country's new constitution, took the decisions late on Monday with clear majority votes. The votes confirm earlier

preliminary voting and end, for the foreseeable future, efforts by lobbyists to reverse the, decisions

Although new enabling legislation is still to be drawn up, there is no possibility that the votes will be overturned before the constitution is completed. than 50 per cent, according to special interim arrangements yet to be debated.

Existing oil risk contracts. which centre on the operations of Pectin and Texaco, will be honoured but not renewed. The votes have been greeted with jubilation by nationalists on both left and right. They highlight the majority held by the nationalist coalition which last weekend defined, for the purposes of the constitution, the concept of a "Brazilian company of national capital."
Opponents fear that the creation of this privileged status

may open the way for more

UN peace plan accepted for the Sahara

restrictions on foreign business mining companies from taking majority shareholdings in any expectation or refinery for the special majority shareholdings in any expectation or refinery for the special majority shall be a special mining companies and the extension of market protection — from the companies are expected to have a four-prot micals sector

Foreign mining groups in Brazil have warned that the decision will divert new capital

been reluctant to risk the heavy investment costs in exploration, despite Brazil's promising and little-researched geological map, they say.

Even Petrobras, the state oil company, has opposed the ban on foreign oil risk exploration, aroung that its own \$200 had. arguing that its own \$2bn budget is grossly inadequate to chart Brazil's vast territory.

Serious newspapers of both left and right have also been unanimously scathing in their condemnation of the votes. The centre-left Folha de Sao Paulo described them as "archaic

Its conservative rival, the Estado, wrote that the Congress "has decided to commit the worst of crimes an institution can practise against a country – to isolate it from the world."

In fact, the Congress vote will probably be more detrimental to Brazil's image as a potential target for investment than to the mining industry itself. Many minerals compa-nies operating in the country had anticipated the move by adopting or planning links with often nominal, Brazilian partners.

Britain bars toxic waste ship

ian Ministry of Civil Protection said the waste was 20 per cent phenolic resins and 80 per cent industrial slime.

A report prepared by consulatants commissioned by the environmental pressure group Friends of the Earth to visit the dump site in Nigeria in June indicates that the cock-tail of toxins included Polychlorinated Byphenyls (PCBs) in addition to waste resins, res-idues from solvent distillation, chlorinated solvents, and filtration earths. PCBs are carcinogenic chemicals produced for use in power stations.

The initial inspection in

Nigeria found between 6,000 and 8,000 200-litre drums stacked in a compound on the outskirts of Koko. A further 2,000 drums were thought to be stored in 30 containers on the stite. The report said that one stack of blue drums was clearly labelled in Italian as

containing PCB waste.

The report added that the sampling exercise demonstrated that the consignment contained "some of the most difficult and intractable wastes be industry." A large produced by industry." A large proportion of the waste, it said, could be destroyed by high temperature incineration.

temperature incheration.

The Karin B left Italy at the end of June, loaded the waste at Koko port and left Nigeria on July 27. It sailed northwards and stopped at Las Palmas in the Canary Islands for three days on August 11. The ship then sailed to Cadix in southern Spain but was forced. southern Spain but was forced to leave on August 24 by the

Spanish authorities. The Italian government then suggested the Karina B head for the Italian port of Ravenna where an incinerator capable of treating and disposing of the waste exists. But in the face of strong public protests the gov-ernment was forced to change

NEWS REVIEW BUSINESS

Major avionics agreement

Rour of the principal UK serospace companies and the Royal
Aerospace Establishment have
signed a unique agreement to
collaborate on a major avionic
development which heralds an
important new way of working
between Government and
industry.
The objective of the collaboration is to produce a Mission
Capable Simulation of the type,
of Mission Management Aid
which will be necessary to
ensure the tactical effectiveness of a single seat combat ness of a single sest combat sircraft operating in the

aircraft operating in the late 1990s.
The joint venture, now formally Isunched, brings together British Aerospace – Military Aircraft Division, GEC Avionics and GEC Sensors, Ferranti Defence Systems, Smiths Industries Aerospace & Defence Systems and the Royal Aerospace Establishment.

Compact encoders

A range of encoders specifically designed for amplications where space is limited and which may be subject to high shock, vibration or temperature has been introduced by the Industrial Components Group of Dalkeith-based Farranti Industrial Electronica.

Ferranti Oldham FloC has won approval from the Business and Technician Education Council (BTEC) to con-duct courses leading to the BTEC National Certificate in

at the latest by the end of the Electrical and Electronic Engineering
Ferranti Computer Systems
Expert System Group has
successfully run an expert
systems-based airport and
airline scheduler on the Ikkas
Instruments microExplorer.

ADVERTISEMENT -

COMPUTERS

Royal command

An initial five million pound development programme to tion from radars and sensors commence the upgrade of the ADAWS command and weapon control systems fitted in are now available for all classes and Type 42 destroyers is now in progress at Ferranti A key element of the ADAWS computer Systems, Bracknell: Several generations of Action Data Automation Weapon Systems (ADAWS) have evolved from the first computer based naval command system which went to sea in 1963 on board the aircraft carrier nal system memory making the first computer systems have played an increasingly important role in assisting naval command

Real-time simulation

Ferranti Computer Systems, lishment at Portsdown, Cheadle Heath, has won the MoD (UK) contract to provide a Radar Simulator which is to test the Type 23 Command and Control System. SIRAS Navy's Type 23 Frigate shore development facility.

The Surveillance and IFF Radar Simulator (SIRAS) will be designed and manufactured in Farmborough by the company's Training Systems Division and will be installed in the Type 23 facility at the Admiralty Research Estab-command system.



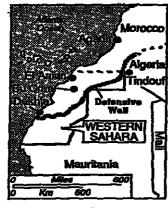
Ferranti International Signal the merger of Ferranti pic and international Signal & Control Group PLC.



drawn up by Mr Javier Perez de Cuellar the UN Secretary-General, for a ceasefire and a UN-supervised refer-endum to determine the future political status of the phos-Mauritania phate-rich desert territory. Both Mr Abdellatif Fillali, the Moroccan Foreign Minister, and Mr Bechir Moustapha, the

Polisario's external relations chief, attached what Mr Perez de Cuellar's spokesman described as "comments and remarks" to their acceptance of the plan. These reflected worries on both sides about the disation of a ceasefire and the disposition of troops during But UN officials and Western

is described the formal go shead as a breakthrough in



the longest-running contemporary war. It will further enhance the prestige of an organisation which has this year secured Soviet agreement to withdraw from Afghanistan and a ceasefire in the Gulf war. Officials hope that a formal ceasefire can be secured within a month and that a referendum can be held within six months. The arrangements will be over-seen by a special representaMorocco is expected to be

asked to reduce its force in the territory from an estimated 100,000 troops at present to about 25,000. All Polisario fighters, which the Front the referendum among the population of the territory and the refugees in Polisario camps at Tindouf in south-western Algeria, estimated by Algiers to number nearly 170,000. Much will depend on what questions the voters will be asked in the referendum. The long-standing plan of the Organisation of African Unity,

tive appointed by Mr Perez de Cuellar, and by a UN monitoring force expected to be around 2,000 strong.

We appointed by Mr Perez de Cuellar, and by a UN monitoring force expected to be around as demanded by the Saharawi nationalist Polisario front, and interestion into Moreotenia. nationalist Polisario front, and integration into Morocco, in line with King Hassan's claims. The hope now is that the parties may be persuaded by friendly countries such as Tunisia, Saudi Arabia and Algeria,

claims total 20,000 but which are reckoned by independent experts to number closer to 8,000, will retire to their bases. The remaining Moroccan troops will be confined to barracks well away from the which three months ago restored diplomatic relations with Morocco, to accept a third question calling for a considerable measure of autonomy for Saharawis under the Moroccan lanned politing stations.

A UN team will be set up to ecide who is eligible to vote in

Resolution of the Western Sahara issue would remove a constant source of tension between North African coun tries which brought Algeria and Morocco close to war on more than one occasion. It would also considerably improve the atmosphere within the OAU, which Morocco quit several years ago in protest at the recognition the Organisa-tion accorded to the Polisario. which has been involved in mediation efforts alongside the Peace in sight, Page 3

WORLD WEATHER

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Brussels seeks airline liberalisation Continued from Page 1

justification for excluding almost all of the main regional airports in Spain, Denmark, Italy or Greece from these liberalisation provisions," Mr

Sutherland said. The need to provide some form of control at Community level over airline mergers would become more and more pressing as the process of breaking down national frontiers accelerated in the run up to 1992 and the creation of a single internal EC market

One effect of greater liberalisation of air transport is likely to be mergers between European airlines, senior managers in the industry believe. This would follow the pattern in the US, where more than 60 per cent of domestic airline traffic is accounted for by just five airlines, 10 years after US air-lines were deregulated. Mr Sutherland said Community-wide merger control was particularly important in the

Commission had

air transport market."

recently amended proposals it had put to EC transport minis-ters on merger controls. "It is hoped that the modifi-cations will accelerate the dis-cussions in the council so that the regulation can be adopted

year," he said.
Even without the proposed new regulations, the Commission "can and will act where necessary to control the abnsive and restrictive creation of monopoly power in the air transport industry".

FINANCIAL TIMES OMPANIES & MARKETS

We set more wheels in motion R J HOARE Leasing Limited

Wednesday August 31 1988

INSIDE

German chemicals find right formula



sweeping the Euro-pean chemicals industry has produced bumper profits for the three leading West German chemi cal groups — BASF, Bayer and Hoschst. Profits, earnings and hopes have all risen

as foreign sales have outpaced home demand, itself unexpectedly high following a domestic economic upturn. Page 19

Hong Kong cooler in the shadow The public share offer of Hongkong Telecommunications, still scheduled for this year, is casting a shadow over the local stock market where fears of rising inflation and higher interest rates have cooled the ardour of many investors. Even the latest batch of healthy cor-porate profits has failed to impress. Page 36

Farmers try to save their bacon



Pig farming has become a high-tech occupation as farmers try to fight disease and increase production. Yet farmers in the UK who invest in élite stock and intense security in the hopes of high returns face grim prospects in 1989,

according to the Meat and Livestock Commission. The MLC reports that increased imports from Europe are likely to continue to depress British markets for at least the first half of next year. Page 32

Peck profits soar to £2.44m

Peek, former shell company turned into an electronics and technology group by South African industrialist Kenneth Maud, announced pre-tax profits of £2.44m (\$4.1m) for the first six months of 1988. Last year, before the group completed a string of acquisitions, Peek scored pre-tax profits of £869,000. The company, which has undergone an internal reorganisation, plans in future to focus on industrial automation, instrumentation, and connectors. Page 22.

Bond team gears up to tackle the Swiss market

Morgan Stanley International, International arm of the US Investment bank, has transferred its Swiss franc warrant and convertible bond trading team to Zurich from London as part of an effort to increase its presence in that market. The move stems from a decision made last year to move trading in certain products to their country of origin. Page 29

DiY unit goes on the block



British building supplies group Sharpe & Fisher has decided to put its do-it-yourself chain up for auction and channe the proceeds back to shareholders. Mr Charles Fisher, chief executive (left), expects these extra funds to provide sufficient resources for the planned expansion of S&F's core business, Page 22

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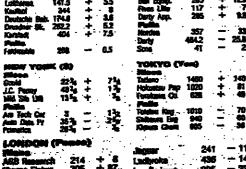
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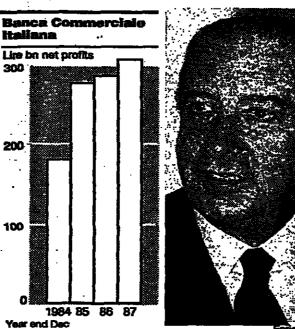
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Chief price changes yesterday



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New York's Irving affair lights an angry fire

John Wyles in Rome reports on Italian outrage over the failure of BCI's bid for a US bank

ciale Italiana's decision this week to abandon its \$840m friendly offer for New York's Irving Bank is undoubtedly a setback for the interna-tional ambitions of Italy's sec-ond-largest bank, the implications of the affair could have a much wider impact.

have a much wider impact.

First, there is a European political dimension: the fact that the US Federal Reserve Board tripped up the BCl hid, by a first-ever application of the Bank Holding Act to a foreign bank, may well be regarded as evidence of a strengthening grip of protectionism on US public policy.

Commission officials in Brussels yesterday said the affair strengthened the European Community's case for insisting its trading partners grant freedoms in banking and other sectors which are reciprocal to these which are reciprocal to those they enjoy within the Commi-

Banking circles in Italy are outraged at what they see as discriminatory action against a national industry which has come late to internationalisation. At the Bank of Italy, however, the concern within the central bank is tempered by other preoccupations. Governor Carlo Azeglio Ciampi and his colleagues believe that, rather than undertaking foreign adventures, Italy's major banks would be better employed by improving efficiency and structures before the arrival of foreign competition with the

EC's internal market in 1992. Moreover, they are not dis-pleased to see the Fed defending the principle, which they want built into Italian law, of complete separation between industrial and bank ownership.

This was the obstacle erected by the Fed 12 days ago when it ruled that the state holding corporation, Istituto per la Ricostru-zione Industriale (Iri), which con-trols just under 60 per cent of BCI, would have to apply for per-mission to acquire Irving. In the process, iri would have to seek exemption from the Bank Holding Act's requirement to dispose of its hundreds of industrial com-

After a great deal of agonising, BCI's management team, led by its chairman Enrico Braggiotti, concluded there was nowhere to go but out.

"The Fed's decision was intolerable for Iri and for BCI," said Mr Braggiotti yesterday. "We are autonomous and we cannot imag-ine that to buy a bank in the US we have to have an application for iri to sustain us."

The BCI chairman said that as

long as a Fed spokesman said Iri could negotiate an exemption from the Bank Holding Act, there was nothing to talk about, "since the premise of an Iri application could not exist."

It was now up to the Italian central bank and the Govern-ment to "resist the Federal Reserve and make it change its view of Iri so Italian banks can operate on an equal basis with other European banks," said Mr Braggiotti

The BCI chairman's anger was shared by Mr Piero Barucci, president of the Italian Bankers' Association, who said the Fed was guilty of "unjustified discrimination."

or those countries arriving late to internationalisa-tion, it is necessary to create the conditions for them to make up lost ground. The living affair goes in the opposite direc-tion," he said.

Mr Braggiotti would not go

This implies a possible acquisi-tion or joint venture in Europe. BCI has been developing its European network by opening a repre-sentative office in Amsterdam and upgrading its Frankfurt office to branch status. It has affiliates in France and Belgium, and plans to open 10 branches in France, Germany and Spain by 1992. It also intends to strengthen its London branch and capital markets operations.

s one of Italy's four "banks of national inter-A "banks of national interest" controlled by Iri
- the others are Credito Italiano, Banca di Roma and Banco Santo Spirito - BCI can operate throughout the country and has announced plans to add another 300 branches to its existing 500

during the next five years. At the end of last year, the bank's deposit base was L29,204bn (\$21bn) and net assets stood at 1.4,127bn. Profits were flat last year after portfolio losses but registered an 8 per cent increase to L297bn after tax cred-

Italian anger and incomprehension at the Fed's handling of the BCI-Irving affair is strongly fuelled by the fact that no similar obstacle was put in BCI's way when it purchased the Long Island Trust Company (Litco) in 1982. It sold Litco last year for \$317m against an initial purchase

price of \$116m. "Litco was bought under the Volcker Fed. The Greenspan Fed promised exemptions from the Banking Act but these could be withdrawn by the next chair-man," said one official explaining

BCI's stand. The débacle comes at a difficult time for Mr Romano Prodi, president of Iri. He is battling for clear political decisions on reorganising the public sector to

down in little more than a year. The Socialists are attempting to minimise Mr Prodi's achievement in returning Iri to profit and have accused him of seeking to extend Christian Democrat "hegemony" over the public sector.

into details about the impact of the failure of the Irving bid on reduce overlapping activities between the three state holding BCI's strategy. "We have a billion dollars which can be used else-where," he said, conceding that companies – Iri, Enl and Efim. But the reorganisation issue has become intensely political, as Mr Prodi and Mr Franco Reviglio, Eni president, are due to step the door to the US is closed for

Philadelphia puts options on 4.30am trading start

By Stephen Fidier, Euromarkets Correspondent

THE European view that futures and options markets in the US are run by insomniacs and workaholics gained further ground yesterday when the Philadelphia Stock Exchange amounced plans to start currency options trading at 4.30 in the morning.
Philadelphia may have become

inured to criticism ever since W C Fields's epitaph favourably compared a visit to the City of Brotherly Love with an exit from this life, but the exchange's decision was not without its

decision was not without its critics in Europe. "Terribly uncivilised," said one futures market official sniffily.

The move, which would bring forward by 3% hours the opening of currency options trading, is viewed as an aggressive attempt. by the exchange to secure more European business.

Customers in Europe already account for half of the currency options business on the exchange, which this year has been averaging a daily 38,000 contracts, down on last year, officials say. Trading will thus start at 9.30am London time and the new hours will coincide with the peak of market activity in

Europe. Philadelphia, which trades eight currency option contracts, became the first exchange to start evening trading in derivative currency products 10 months ago when it started a four-hour evening session at 7pm local time,

The sniffy reaction in London is not connected with concern that the aggressive Americans will be taking business away from London exchanges, since currency options volume on the London International Financial Futures Exchanges and the London Traded Options Market is light, to put it kindly. The two London exchanges are talking about combining their currency

options contracts.
Indeed, the real challenge in this area of the business to the the fast-growing over-the-counter business in options.

Nevertheless, there is a question about how far the US exchanges will be able to take the concept of 24-hour trading. The new hours will mean that the Philadelphia exchange will be open for 13% hours a day, enough to drive all but a workaholic to exhaustion. Which is all bad news for the spouses of currency options traders in Philadelphia, but good news for the city's ear nose and throat

Volvo profits fall to SKr3.8bn in first six months

By Robert Taylor in Stockholm

VOLVO, the Swedish motor, energy and food group, has reported lower profits for the first half of 1988 as a result of currency factors and the effects of the three-week long nation-wide strike by white-collar work-

Group profits (after financial items) dropped to SKr3.8bn (\$598m) compared with SKr4.3bn in the same period of 1987. But Volvo said yesterday that the industrial dispute in February, which cost the company around SKr1.1bn, continued to distort the overall results.

The company pointed out that in the second-quarter it pro-duced profits after financial items of SKr2.4bn, compared with SKr2.3bn in the same period of last year. "We have never shown better

second - quarter results than these", Mr Gunnar Johansson, Volvo president said. He said the company was seeking compensa-tion for last winter's strike from the Swedish employer's organisa-tion SAF.

If a substantial part of those losses was met from that source later in the year it would have a positive impact on Volvo's performance for the whole of 1988. Group sales totalled SKr45.7bn in the six months, an improve ment of 3 per cent over the same period of 1987.

There was only a I per cent rise in car sales, which totalled SKr10,5bn, but because of the strike Volvo delivered 6 per cent fewer cars compared with the first six months of 1987.

Its share of the rising west European and American car markets fell as a consequence.

The trucks market continues to provide Volvo with substantial

sales. The company recorded a 25 per cent increase in the half year, its best performance yet. Demand was especially strong for Volvo's trucks in Western Europe, Brazil and the US.

The 79 per cent improvement in sales in the bus group was due to the purchase of Leyland Bus earlier in the year. Sales in the first half totalled SKr1.6bn.

The food sector showed a 10

per cent improvement in sales to SKr5.2bn, while there was also a 10 per cent increase in sales in Volvo's marine and industrial motor group to SKr1.3bn.

However, the trading sector continued to be difficult for the company, mainly due to the fall in revenues from oil trading. Turnover for the six months fell 32 per cent to SKr4.7bn. A pragmatic president, Page 19

Hoesch expects to show marked increase

By Andrew Fisher in Frankfurt

HOESCH, the West German steel

and engineering company, expects its profits to show a marked increase this year after a strong performance in the first half. Sales increased by 14 per cent

to DM4bn (\$2.1bn).

Benefiting from the upturn in the German economy, Hoesch increase in new orders during the period to DM5.6bn. The total order backlog was up

by 19 per cent to DM2.7bn. The workforce, however, declined by 1,000 to 32,200 people partly due to cuts in the steel

Hoesch said all of its activities showed better results.
Rolled steel production and

sales were much higher than in sakes were intuin inglief than in the previous year, with the man-ufactoring and industrial tech-nology division helped by the improved climate in mechanical

engineering and the continued high level of automobile output. Hoesch said its trading companies raised turnover considerably as a result of lively domestic demand. Exports were also

Strong demand for control and communications systems also gave a lift to the automation and newest activity.

Hoesch gave no profit figures for the first half, but said its financial position continued to develop favourably. With higher cash flow, it was

able to reduce net borrowings by DM300m as well as finance rising investments which more than doubled in the first half to DM211m.

In 1987, group pre-tax profit rose to DM191m from DM145m, but fell sharply after provisions for restructuring costs to DM49m

Dublin opens inquiry into hostile I£253m bid for Irish Distillers

offer for Irish Distillers which was broken up by the European

Commission on competition grounds. The Irish company

By Lisa Wood in London

THE HOSTILE bid by Grand Metropolitan, UK food and drinks group, for Irish Distillers, whis-key manufacturer, has been referred to the Irish Fair Trade Commission – the equivalent of the Monopolies and Mergers Commission in the UK. Mr Albert Reynolds, Irish Minister for Industry and Commerce, has not given a deadline for the investigation but has asked it be conducted as quickly as possible. The 12253m (\$361m) bid, under Irish takeover rules, will not lapse because of the referral.

Mr Reynolds, speaking on RTE, the Irish broadcasting corporation, said that although Grand-

Met had obtained the approval of the Takeover Panel in London to make the had, it was his decision whether or not the offer would He expressed concern that there was no Irish representation on the Takeover Panel when Irish bids were considered and added he was investigating several options, including the possible establishment of a takeover panel in Ireland.

Mr Republic said there was no

Mr Reynolds said there was no claimed the company's domestic little equivalent of the Takeover Panel because the Dublin Stock Republic had fallen by 3.7 per Exchange was part of the London cent in the seven months to April Stock Exchange.
The Panel allowed GrandMet to

argued that under the UK take-over code GrandMet should have been harred from bidding for 12 The Irish Trade and Industry Department said Mr Reynolds was not so much concerned at the decision of the Takeover Panel as determined to uphold the principle that takeovers and mergers involving Irish compa-nies should be looked at in an

Yesterday's referral to the Fair Trade Commission was not unex-pected. GrandMet, which bought about 150,000 shares yesterday to take its stake in Irish Distillers to 6% per cent, said the move was

quite normal practice." GrandMet, which has bid IEA.0 per share, is operating under a shortened bid timetable at the instruction of the Takeover

The UK drinks company yes-terday sent a letter to frish Dis-tillers' shareholders in which it 1988 while branded exports from The Panel allowed GrandMet to the Republic had fallen by 17.8 hid although the company had per cent in the same period Irish parties been part of a consortium Distillers, which produces its

brands in the Republic and Northern Ireland, is expected to respond to the claims today. Pernod-Ricard, French drinks company which held talks with the irish group last week, has yet to show its hand. Pernod-Ricard is the largest

distiller on the Continent and its Ricard brand is the third-largest international spirit brand. Its leading brown spirit is wild Tur-key, a bourbon whisky. The French group does not distribute any of the Irish Distillers brands. After initially appearing to rule itself out of the battle, Pernod-Ricard announced last that it had

However, Grand Met retorted

an stake in Irish Distillers and would announce its intentions

However, Grand Met retorted that Irish Distillers had been allowing considerable confusion and uncertainty to develop.

It called on the company to explain whether it was discussing a general offer with either Pernod-Ricard or other parties, or alternatively, some form of arrangement which might prevent shareholders from obtaining the benefit of a full offer. the benefit of a full offer.

A 20 per cent stake in Irish Distillers is held by FII Fyffes, Irish foods business, which was initially pledged to the consor-tium bld but became uncommitted when the original bid was

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A time to celebrate for German chemicals groups

Profits are surging but share prices remain earthbound. Haig Simonian in Frankfurt reports

ASF, one of Germany's big three chemicals continue for the buoyan to contin years to wait before it can celebrate its 125th birthday, while Hoechst and Bayer, both two years its senior, have popped the champagne corks this year. However, the chairmen of all three groups have ample reason to be pleased. After the sharply higher interim results reported this month, 1988 promises to be a bumper year. Half-time group profits at Hoechst soared by 30 per cent to DM1.94bn (\$1.05bn), while they rose by 20 per cent to DM1.86bn at Bayer and 18 per cent to DM1.71bn at BASF. cent to DM1.71bn at BASF. Sales have told a similarly bullish story. Hoechst, boosted by last year's purchase of Celanese in the US, increased group turnover by 11 per cent to DM20bn. Bayer managed a 6 per cent rise to just over DM20bn, while BASF was a teck ahead, with group seles 6.

neck ahead, with group sales 6 per cent up at DM21.6km. All three companies have benefited from the boom currently sweeping the European chemicals industry, notably in plastics. All have reported a ively upturn in business, with appreciable growth in the first quarter accelerating into the econd, thanks to buoyant European economic growth, notably in the construction

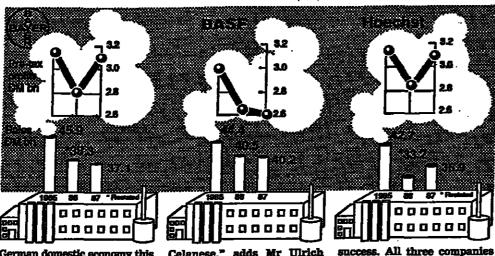
The buoyant trend is likely to continue for the rest of this year. Bayer forecast that 1968 rnings and sales would top those for last year, when it made DM3.07bn before tax on sales of DM37bn. Hoechst also predicted a higher outcome for 1988, adding that its half-time figures had "clearly exceeded" its own expectations. More soberly, BASF remarked "there is no sign at present of any impairment to the good business conditions".

The big three were silent when it came to their dividends for the year, but many analysts think increases are inevitable. All three groups paid DM10 a share last year, although Bayer and Hoechst added a DM1 bonus to celebrate their anniversaries. Hoechst has already hinted that the extra payment may be consolidated this year. Even without the tax bonus for domestic shareholders, the div-

idend yield is better than at most European counterparts. Mr Kiran Bhojani, chemicals analyst at the Bank of Liein in Frankfurt, thinks Bayer and Hoechst will raise their dividends to DM12 this year, while BASF will go up DM1 to DM11.

Whatever the dividend prospects, the business outlook and motor industries.

Comparisons with other European chemicals groups are difficult, as not all report half-year earnings. But the general rate of profits growth in Germany easily outstrips the 13 per cent rise at Britain's ICI and is ahead of the 18 per cent recorded by Akzo of the



year meant domestic demand for chemicals has hardly been sluggish.
Indeed, currency factors are

Indeed, currency factors are probably playing a positive role now. The new-found strength of the dollar and weaker D-Mark against some European currencies has helped to stop the erosion in German competitiveness. Moreover, it has boosted the D-Mark value of the companies' dollar earnings, which nies' dollar earnings, which can account for around 20 per

cent of group turnover. Hence the feeling among analysts that Hoechst is now the best-placed of the big three. Buying Celanese may have looked expensive to some, but the decision is already proving its worth. There is now a "tremendous synergy" between the two groups, according to one analyst. "As long as the US economy is doing well, so is Celanese," adds Mr Ulrich Krause-Heiber, an analyst at Westdeutsche Landesbank in

Yet, despite the bullish results and outlook, the share prices of the big three chami-cals groups have remained dis-tinctly earthbound. Hoechst closed at DM282.20 in Frankclosed at DM282.20 in Frank-furt yesterday, compared with DM250 at the end of last year and a 1988 low of DM237.60. Bayer closed at DM291, against an end-1987 level of DM263.80 and a 1988 low of DM237.10, and BASF was DM261, com-pared with DM255.50 at end-1987 and a 1988 low of DM223m.

Why are investors not showing greater enthusiasm for Ger-man chemicals stocks? True, the companies face some difficulties, but none of these amount to substantial dangers. If anything, one of the big-gest problems may be that of ket, while acrylic fibres have caused some problems at Bayer. Meanwhile, Hoechst has faced stiff legal opposition from local residents to its cell-

from local residents to fix celltechnology plans.

Yet such factors are pretty
small beer when seem against
the groups' overall business.
Rather, the problem appears to
be one of investors' perceptions. "I just don't understand
it", says Mr Bhojani. "On the
hesic fundamentals, the chemicals companies look good."

Mrs Penny Tattersall, of Barclays de Zoete Wedd in London, also expresses surprise at
the lack of movement, but
points out that many investors points out that many investors are already talking about a possible downturn. European economic growth may not be quite as strong next year, meaning profits may slacken, but she argues that talk of a major setback for the industry

is exaggerated. is exaggerated.

One problem is that Germany's chemicals conglomerates are a classic defensive stock, with a solid dividends performance. "Everyone has them," says Mr Bhojam, and some institutional investors are therefore rejectant to increase therefore reluctant to increase their portfolios. The size and liquidity of the market in the the stocks also tends to pre-

vent big rises.
Continuing ripples from the crash are also partly to blame.
Germany's big three chamicals concarns may be heading for record earnings, but many international investors still prefer to keep their money in cash. And when they do invest in shares, Germany is not always the first place they go.

JC Penney workers offered share stake

By Anatole Kaletsky in New York on the Esop's borrowing, enabling its employees to acquire a substantial stake in

J.C. PENNEY, the third-largest J.C. PENNEY, the thru-argued US general retailing group, yesterday announced the crie-ation of a leveraged employee stock ownership plan, or Esop, which will put about 9 per cent of the Dallas-based company's stock into the hands of its

workers.
The Esop will borrow \$700m to acquire a new issue of con-vertible preserved stock, bear-ing a dividend of 7.9 per cent. The stock will be convertible into 11.8m Penney common shares at a price of \$60 a share. Penney will use the proceeds of the new preferred stock issue to buy back in the market about 15m of its common shares, equivalent to a take of 11 per cent. Penney's shares traded yesterday lunchtime at \$46%, up \$%. Pennsy will pay the interest

bution to these savings plans came to \$50m in 1987. The company did not say whether these contributions would have to be increased to fund the new Esop. But because Esops enjoy signifi-cant tax concessions on their borrowing, it appeared likely that Penney could service the \$700m debts of the new plan without any significant increase in the cost of employee savings benefits.

their company at no direct cost to themselves. The company's

Esop interest payments will replace a series of profit shar-

ing and savings plans which Penney currently provides as a

benefit for its employees. Penney said that its annual contri-

US Shoe slips into the red at halfway mark By Roderick Oram in New York

US SHOE, the specialty clothing and footwear businesses which is considering breaking itself up, has reported a loss in line with its usual seasonal pattern of weak second anapters.

ond quarters.
The deficit for the three months ended July 30 was \$9.4m after a \$3.1m charge, mainly for closing six stores. A year earlier it earned not prof-its of \$5.5m, or 12 cents a share, after a gain of \$7.3m, mainly from the sale of operations. Revenues were \$544.4m against \$511.1m.

The first-half net loss was \$6.3m, compared with a net-profit from continuing operations of \$13.5m, or 30 cents a share. A \$16m gain from an accounting change made the final net \$29.6m, or 66

against \$1.02bn last time.

The group said its operating losses increased in specialty retailing, mainly because of the industry-wide trend of poor sales for women's clothing. Operating earnings for footwear manufacturing and retail-ing rose 17 per cent on a 10 per cent growth in sales.

It was cautious about sec-ond-half prospects for women's clothing, but inventories of spring merchandise were low, so its stores will be able to offer a "strong presentation" of autumn fashions. It expects

hrisk footwear sales.

US Shoe, which has long been seen as an attractive takeover target, announced two weeks ago that it was studying the sale of all or parts of its operations to embance shareoperations to enhance share-holder value.

Alcan in union agreement

ALCAN ALUMINIUM has reached a two-year contract agreement with the Canadian Association of Smelter and Allied Workers, avoiding a shutdown of its smelter at Kiti-mat in northern British Columbia, writes Robert Gibbens in

smelter operating since last Thursday when the night shift walked out to protest slow progress in negotiations. Alcan has 1,600 unionised workers at Kitimat and the ratification vote will be held

today and tomorrow.

Air Canada back in the black in second quarter

By Robert Gibbens in Montreal

AIR CANADA, the national airline now being privatised, reports second-quarter earnings of C\$37.1m (US\$29.9m), after a first-quarter loss of C\$29.1m. Earnings in the second quarter of 1987 were C\$37m. The first-quarter loss was blamed on the high cost of regaining market share after a strike late in 1987 and intense ricing competition. Second-quarter operating

New James

net operating expenses were C\$85im, up C\$86m. First-half net earnings were CSSm, down from CSS3m a year earlier. Passenger load factor was 71.8 per cent, up from 70.5 per cent a year earlier, reflecting an increase of 6.6 per

cent in domestic revenue passenger miles. Air Canada expects to raise C\$300m through a public stock issue next month. This will revenues were C\$883m, up reduce the Government's hold-c\$60m from a year earlier; and ing to 55 per cent.

Dennis quits futures markets for politics

Chicago's largest individual futures speculators, said he would leave the business this week in a move that shocked fellow commodity traders.

The reclusive Mr Dennis has become a legend in Chicago futures circles, amassing a personal fortune of some \$290m in his 18 years of trading an array of expressions. of commodity futures.
For the last 10 years, he has

traded blocks of contracts from a bank of computers some 40 floors above the trading floor at the Chicago Board of Trade.

He has in years, he has the read within up, after hosting more than half of their value.

Mr Dennis' nanaged funds had incurred substantial losses in last October's stock market

MR RICHARD DENNIS. one of . But rumours of his action in a affect traders' sentiment, as was seen by the excitement this summer, when he bought thousands of soyabean futures contracts.

Mr Dennis has said he will

close his accounts immediately and sell his exchange member-ships. Two public funds he launched in 1986 have already been wound up, after losing more than half of their value.

crash. His attempt to recom part of that loss in this sur mer's booming grain markets backfired when he was caught out in the futures' extreme vol-

spoke of rising capacity utilisa-tion, although BASF was alone

in warning of delivery bottle-necks as plants start to hit

Agricultural products emain a problem throughout

the industry – although mat-ters appear to have improved somewhat. And BASF also

raised the potential danger to German competitiveness in fer-

tiliser production should the Government put through its

plan to tax natural gas. There are also some individ-

nel weak points. Wintershall, BASI's oil and gas subsidiary, remains in the red after reporting a DM38m net loss last year. However, the company is on

the mend, and the scale of losses has been reduced,

thanks partly to a two-year restructuring plan, says BASF. Magnetic tapes are also a problem for BASF, because of

their production ceilings.

The 39-year-old trader insists his departure from the business has nothing to do with losses on his public funds. In recent years, he has devoted more of his time to his passion-ate interest in liberal Demoning to pursue that interest Mr Dennis, who borrowed

money from his father to launch his commodity trading career, has made substantial contributions to the Democratic party and recently worked as co-chairman for Mr Bruce Babbitt's presidential

mpaign. With his interest in philosophy - particularly the works of John Stuart Mill - and his Democratic politics, Mr Des has shunned many of the showier aspects of a successful trader's lifestyle, preferring to donate his wealth to liberal

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NOTICE OF REDEMPTION

KUMAGAI GUMI CO., LTD. U.S. \$39,000,000 6½% Convertible Bonds 1997

NOTICE IS HEREBY GIVEN that, pursuant to Condition 6(C) of the Bonds, Kumagai Gumi Co., Ltd., (the "Company") has elected to exercise its right to, and shall, redeem on 30th September 1968, all of the outstanding Bonds at a Redemption Price of 102.5% of their principal amount together with accrued interest to such date of re-demption.

demption.

Payment of the redemption price will be made on and after surrender of the Bonds, together with all coupons appertaining thereto
maturing on or after 30th September 1988, at any of the following
Paying Agents:

Daiwa Europe Limited 5 King William Street, London EC4N 7AX

The Sumitomo Bank, Limited, London Branch Temple Court, 11 Queen Victoria Street, London EC4N 4TA Banque Nationale de Paris 16 Boulevard des Italiens, 75009 Paris

Morgan Guaranty Trust Company of New York Avenue des Arts 35, 1040 Brussels

The Sumitomo Bank, Limited, Hong Kong Branch 15 Queen's Road, Central, Hong Kong

The Tokai Bank, Limited
Bockenheimer Landstrasse 51-53, 6009 Frankfurt/Main 17

Banque Internationale à Luxembourg S.A., 2 Boulevard Royal, Luxembourg

From and after 30th September 1988, interest on the Bonds will From and after 30th September 1988, inverest on the hongs will cease to accrue.

The aggregate principal amount of Bonds outstanding as of 4th August 1988 was U.S. \$50,000. Prior to 30th September 1988, the Bonds may be converted into shares of Common Stock of the Company at the conversion price (with Bonds taken at their principal amount translated into Japanese Yen at the rate of \$254.85 equals U.S. \$1) of \$25.70 per share of Common Stock. Each Bondholder who wishes to convert his Bonds should deposit his Bonds, together with all unmatured coupons, with any of the Conversion Agents being the same as the Paying Agents specified above, accompanied by a notice of conversion (the form of which notice is available from any of the Conversion Agents). SUCH CONVERSION RIGHTS WILL TERMINATE AS TO ALL BONDS AT THE CLOSE OF BUSINESS ON 30th SEPTEMBER 1988.

For the information of the Bondholders, the reported closing price of the Common Stock of the Company on the Tokyo Stock Exchange on August 22, 1988 was \$228. The selling price for U.S. Dollars of telegraphic transfer against the Yen visa-vis customers quoted by a leading authorized foreign exchange bank in Tokyo on August 22, 1988 was U.S. \$1 equals \$124.90.

The Industrial Bank of Japan Trust Company KUMAGAI GUMI CO., LTD.

Dated: 31st August, 1988

NOTICE OF REDEMPTION

KUMAGAI GUMI CO., LTD. U.S. \$80,000,000 3½% Convertible Bonds 2000 (the "Bonds")

NOTICE IS HEREBY GIVEN that, pursuant to Condition 6(B) of the Bonds, Kumagai Gumi Co., Ltd., (the "Company") has elected to exercise its right to, and shall, redeem on 30th September 1988, all of the outstanding Bonds at a Redemption Price of 104% of their principal amount together with accrued interest to such date of re-demption.

Payment of the redemption price will be made on and after sur-render of the Bonds, together with all coupons appertaining thereto maturing on or after 30th September 1988, at any of the following Paying Agents:

Daiwa Europe Limited

Daiwa Europe Limited 5 King William Street, London EC4N 7AX

The Sumitomo Bank, Limited, London Branch Temple Court, 11 Queen Victoria Street, London ECAN 4TA

Banque Nationale de Paris 16 Boulevard des Italiens, 75009 Paris

Morgan Guaranty Trust Company of New York Avenue des Arts 35, 1040 Brussels

The Sumitomo Bank, Limited, Hong Kong Branch 15 Queen's Road, Central, Hong Kong

The Tokai Bank, Limited
Bockenheimer Landstrasse 51-53, 6060 Frankfurt/Main 17

Banque Internationale à Luxembourg S.A., 2 Boulevard Royal, Luxembourg

From and after 30th September 1968, interest on the Bonds will cease to accrue.

The aggregate principal amount of Bonds outstanding as of 4th August 1968 was U.S. \$1,955,000. Prior to 30th September 1968, the Bonds may be converted into shares of Common Stock of the Company at the conversion price (with Bonds taken at their principal amount translated into Japanese Yen at the rate of \$260.75 equals U.S. \$1) of \$490.10 per share of Common Stock. Each Bondholder who wishes to convert his Bonds should deposit his Bonds, together with all unmatured coupons, with any of the Conversion Agents being the same as the Paying Agents specified above, accompanied by a notice of conversion (the form of which notice is available from any of the Conversion Agents). SUCH CONVERSION RIGHTS WILL TERMINATE AS TO ALL BONDS AT THE CLOSE OF BUSINESS ON 30th SEPTEMBER 1988.

For the information of the Bondholders, the reported closing price of the Common Stock of the Company on the Tokyo Stock Exchange on August 22, 1988 was \$223. The selling price for U.S. Dollars of telegraphic transfer against the Yen visa-vis customers quoted by a leading authorized foreign exchange bank in Tokyo on August 22, 1968 was U.S. \$1 equals \$134.90. From and after 30th September 1988, interest on the Bonds will

The Industrial Bank of Japan Trust Company, on behalf of KUMAGAI GUMI CO., LTD. Dated: 31st August, 1988

SANYO ELECTRIC CO., LTD.

Curação Depositary Receipts The undersigned, acting as duly authorized Agent of Carneth

Administration Company B.V., announces that the compone no. 7 and no. 8 of the outstanding CDRs of 20 dep. shares of 50 ord, shares nos, 3393/500 B CDRs of 100 dep. shares of 50 ord, shares nos. 1671/95 C celled and have to be considered as worthless.

will be payable on the coupon no; 9 in due course.

The final divideod for the fiscal term ending 30th November, 1988

Amsterdam, 24th August, 1968.

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COMMERZBANK OVERSEAS FINANCE N.V. U.S.\$ 100,000,000 Floating Rate Notes Due 1989

dance with the provisions of the Notes notice is hereby given that for the three months period from August 31, 1988 to November 30, 1988 the Notes will carry an interest rate of 84% per annum with a coupon amount of U.S.S 221.18.

Frankfurt/Main, August 1985 COMMERZBANK

to earth, pragmatic way, he makes an admirable complement to the dynamic and visionary chairman, Mr Pehr Cyllenbargman

It is Mr Johansson who is in charge of the day-to-day running of the company and he likes to see himself as the man

responsible for matching the dreams with realities in Volvo.

"It is alright for a professor in a laboratory to invent a new

product but with our large

scale of operations, we have to be damned sure before we

invest in new techniques and

products, otherwise it will hurt the company's profits and peo-ple could lose their jobs."

The renewed pressure in

Sweden about environmental pollution has made Volvo a

prime target for opposition from the Swedish Green Party

in the run-up to next month's general election.

The Greens are critical of car emissions but Johansson is not prepared to see his company

make sacrifices to appease that

particular lobby if they threaten to damage Volvo's

With over 80 per cent of its

cars and trucks built in Swe-

den for export in a tough, com-petitive world market, the com-

pany can ill afford to find itself

handicapped by impossible restrictions on its production methods. It might be better to

By Tom Burns in Madrid

BANCO Hispano Americano, the Spanish bank that opted to

stay independent when rival

domestic institutions merged

earlier this year, has under-lined its own separate growth

strategy with the acquisition of

75 per cent of Continental Bank, the Belgism subsidiary of

Continental Illinois National

Bank of Chicago. Financial details of the deal

were not released but Hispano

to inject BFr1.5bn (\$38.5m) into Hispano Americano Benelux

when the deal is formally

signed in November. The Span-

Americano said it had ag

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FINANCIAL TIMES

US\$13,500,000 51/2 per cent. Subordinated Guaranteed Convertible Bonds 1988

NOTICE OF EARLY REDEMPTION

On behalf of the Issuer, S.G. Warburg & Co. Ltd. hereby gives notice to holders of the above-mentioned Bonds of the Issuer's election to redeem the outstanding US\$1.350,000 nominal Bonds on 30th September, 1988 at par, in accordance with Condition 7(2) of the Bonds.

Consequently on 30th September, 1988 there will become due and payable upon each outstanding Bond the principal amount thereof, an
tagether with accrued interest to said date, at the office of the Principal Paving Agent -

S.G. Warburg & Co. Ltd. Paying Agency, 6th Floor, I Finshury Avenue, London EC2M ZPA

or at the office of one of the other paying agents named on the Bonds. Accounted interest will be calculated on 105 days and will amount to

105316.04. Interest will cease to accrue on the outstanding US\$1,350,000

manifold Bands on 30th September, 1968 and these Boods and

Coupons will become void unless presented for payment within a period of six years from that date.

A number of Bonds drawn for redemption on 15th December, 1987

These Bonds should be presented for redemption or payment together with all unmatured Coupons, falling which the amount of the missing minimatured Coupons will be deducted from the sum due for payment.

Any amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupons. These bonds and matured Coupons will become void unless presented for payment within a period of six years from 15th December, 1987.

31st August, 1988

Copies of our interim report (first half year 1988) are available

Morgan Grentell & Co. Limited 23 Great Winchester Street London EC2P-2AX

S.G. Werburg & Co. Ltd. 33 King William Street London EC 4R 9AS

BASF Aktiengesellschaft D-6700 Luchwigshafen

INTERNATIONAL COMPANIES AND FINANCE

Volvo waves the free-trade flag

Robert Taylor interviews the Swedish group's pragmatic president

ers. Their cars are excellent, at

least in their first years of ser-

vice," he says. However, for

the past year and a half he has being going back and forth to

Tokyo to try and convince the

Japanese to practise fair trade.
Volvo has high hopes of expanding in the Japanese

market through a distribution agreement with Fuji which will

give the company the vital

Mr Johansson admits the

have found, there is consumer

resistance to such a strategy,'

The Volvo president is cau-tious about what that might

bank and has more than 1,000

Hispano Americano, one of the leading Spanish private banks, was the outsider in a rush of domestic banking

mergers at the start of this year that brought together its rivals Banco Central and

Banesto-as well as the two

basque banks, Banco de Bilbao

and Banco Vizcaya. Mr Claudio Boada, Hispano

Americano's chairman, said at the height of the merger deals that his policy would be to seek agreements with Euro-

pean institutions.

VNU surges

By Our Financial Staff

VNU, the largest Dutch

FI 859m to FI 1.1bn (\$55m).

After-tax profits jumped to
FI 66.8m from FI 469m in the
first half of 1987.

VNU said for the full year,
net profit and profit per share
were expected to rise in line
with the percentage increases
for the opening six months.

The commany said its news.

The company said its news-papers showed a substantial

profit rise and noted the first-half figures were boosted by the takeover in February of the

Dutch Audet group of regional

half-year rose to Fl 102.9m from Fl 69.6m.

transport group, yesterday announced its first interim profit since 1981 with pre-tax earnings of DKr18m (\$1.8m) on a tornover of DKr1.85bn, writes

Hilary Barnes from Copen-

Last year, the group made a first-half loss of DKr55m, but DFDS achieved a net profit of DKr70m for 1987 as a whole.

Mr Niels Bach, the chief executive, said the group's land transport division had this year done better than

expected, while the group's 44 passenger and freight vessels

A. F. I. Atlantic Financial International N.V.

Secured Adjustable Rate Notes one 1979
In accordance with the provisions of the Notes, posice is hereby given that for the interest period beginning August 31, 1988 and ending November 29, 1988, the Notes will carry an interest rate of 9.017279 per ansum. Interest payable per \$50,000 principal amount for this interest period is \$1,122.74.

A. F. L. Addude Phenancial Interesticant N.V.

The Parish's Computation

also made progress.

turnround

Operating profits for the

in first half

olvo has never been stronger than it is today, says a confident Mr Gunnar Johansson, president of Volvo since last year. In his office in the company's elegant new headquarters on a elegant new headquarters on a hill just outside Gothenburg, he says: "Our structure is the reason for this plus the prod-uct lines." Sixty-year-old Mr Johansson has had a lifetime at Volvo, joining the company in 1955 as a production engineer in the company's Gothenburg transmission plant and making his way up mainly through the aerospace division. In his down

> ar Johansson: not going to be a good boy scout respect their car manufactur-

shut dewn completely than submit to them," says Mr

But he adds: "We do our best to minimise pollution. We want to be good citizens. We wish to see people putting their trust in us but they must

be more patient."
Volvo has no wish to scale down its operations in Sweden, despite the company's growing sense of alarm about the conse quences of the movement to the free internal market in the European Community by 1992. Indeed, it is trying to protect its home market. The company has sought, along with Saab-Scania this summer, to secure restrictions by the Swedish Government on Japanese car

imports into Sweden. "We have to be in favour of free trade and we always have been but we cannot accept that the rules are not the same for everybody," argues Mr Johansson. "We are not going to be good boy scouts and accept everything if the rest of the

world is not doing so." He knows Japan well, being involved in joint venture dis-cussions there 16 years ago. "I

ish bank's new property consists of a branch in Brussels

and Antwerp and an equity

The broader prospects of His-

pano Americano's move into Belgium appeared, however, to be contained in an additional

protocol agreement with Bacob, the Belgian savings

bank which is buying the out-

standing 25 per cent of Conti-nental Bank.

The agreement outlined close co-operation between the two institutions. Bacob is Bel-

gium's second largest savings

Banco Hispano to buy bank

capital of BFrlbn.

We will expand in the areas where we are already. There will be more joint ventures, partnerships and other differ-ent ways of expanding the

He cites the recent deal with SAS on their civil aircraft engine overhaul operations and the agreement with Gen-eral Motors in heavy trucks as examples of Volvo's thinking.
The trucks division of the

company has been a real success story in recent years and it looks like going on being so in the immediate future. Mr Johansson also believes the food side of the company is also in a "pretty good condi-

The only problem area appears to be in oil trading. "We have to look at that very carefully," be admits. "The last two years have been very diffi-

But as a veteran Volvo man, he remains convinced that the company's divisional group structure is the most flexible and effective for continuing growth. "We don't just have to depend on one single unit."

Certainly the company has come a long way since Mr Johansson's early days. "I remember in 1956 when I was dealer and servicing network it needs. By 1993 Volvo is aiming to sell 25,000 cars there. working in the transmission plant. We were making gear boxes but the cash problem was so serious we were not allowed to buy even a gallon of paint to paint them. They had American car market is tough for Volvo at the moment, par-ticularly with the weak dollar. "We have tried to raise our prices in the US but as others to go down to the banks every Friday to ask for an extension of borrowing facilities for the

he says. "We are, however, going to protect our American market. We are staying in there and we will take action." Looking down from his eyrie in the air-conditioned, tastefully furnished headquarters over a landscape that encapsulates what has become known as Volvo city, it is easy to understand Mr Johansson's entail and adds: "We are not planning an assembly plant at the moment. Volvo intends to bouncy self-confidence when he contrasts the company today with the difficult days of mean that we will stand still. 30 years ago.

KIO paper unit ahead 18% in half

By Our Madrid Correspondent

TORRAS HOSTENCH, the Spanish paper group controlled by the Kuwait Investment Office (KIO), reports an 18 per cent increase in first-half profits and looks set for strong gains overall in 1988.

recently been at the centre of a number of protracted merger battles, also announced a hig jump in net worth which, in the eyes of many local bankers and analysts, suggests more market raids are in the offing. Profits for the six months

rose from Pta3.9bn to Pta4.5bn (\$37.5m) following an improve-ment in turnover from Pta13.3bn to Pta14.1bn. Capital and reserves at the end of June stood at Pta83.4bn against Pta10.6bn 12 months earlier.

publishing group, reports strong first-half profit gains and expects an equally impres-sive performance for 1988 as a Torras came under the con-trol of Kuwaiti interests in 1985 and was subsequently built up into the KIO's chief investment For the first six months, turnover moved ahead from Fl 859m to Fl 1.1bn (\$55m).

arm in Spain.
In the first half of this year, Torras has acquired Ebro, Spain's leading sugar producer, and has also consolidated its control over Explosivos Rio Tinto (ERT), the leading chemical and approximate the Explosivos of EDF ical conglomerate. Part of ERT is to be merged later this year with Cross, the fertiliser group which was acquired by Torras last year and which was the vehicle used by KIO to buy

control of ERT. control of En.1.

The increase in group net worth at the end of June largely reflects the ERT deal which absorbed virtually all group 1987 profits.

Istanbul venture DFDS reports for Dresdner DFDS, the Danish shipping and

By Haig Simonian in Frankfurt

DRESDNER BANK, West Germany's second largest bank, is buying a 30 per cent stake in BNP-Ak Bankasi, a joint venture bank in Turkey between Banque Nationale de Paris and Akbank, a leading

Turkish banking group, which own 49 per cent and 51 per cent stakes respectively.

The bank, based in Istanbul, will be renamed BNP-Ak-Dresdner, with Akbank owning 40 per cent and BNP and Dresdner Bank 30 per cent stakes respectively.

The Turkish bank, which employees about 40 people, has concentrated on trade finance concentrated on trade imance since being founded in 1985. It now plans to double its capital to TL20bn (\$13m) following Dresdner Bank's participation.

The transaction will make Dresdner Bank the first German financial institution with a stake in a Turkish bank. Last October, Commerzbank expan-ded its Turkish coverage with the opening of a representative office in Istanbul, while Deut-sche Bank already has a representative office in the city. Some 100 German companies operate in Turkey, either through subsidiaries or joint

MOBILE COMMUNICATIONS

The Financial Times proposes to publish this survey on:
12th Soptember 1988
full editorial synopsis and advertisement details, please or
Stephen Dumber-Johnson
un 81-248 3600 Frxt 4148 Or write to him at: Bracken House 10 Cannon Street London EC4P 4BY

FINANCIALTIMES

CITICORP© U.S. \$350,000,000

U.S. 530,000,000
Subordinated Floating Rate Notes Due November 27,2035
Notice is hereby given that the Rate of Interest has been fixed at 8.475% in respect of the Original Notes and 8.5625% in respect of the Enhancement Notes, and that the interest populate on the relevant Interest Payment Date September 30, 1988 against Coupon No. 34 in respect of US\$10,000 nominal of the Notes will be US\$70.63 in respect of the Original Notes and US\$71.35 in respect of the Original Notes and

August 31, 1988, London By: Citibank, N.A. (CSSI Dept.), Agent Bank

Can. \$75,000,000

Province of New Branswick

Floating Rate Notes due May 1994

clue May 1894

Notice is hereby given that in respect of the Interest Period from August 31, 1988 to November 30, 1988, the Notes will carry an Interest Rate of 100 per annum. The amounts payable on November 30, 1988, against Coupon No. 18 will be Can. \$263.84 for Bearer Notes of Can. \$10,000 principal amount and Can. \$26,38 for Bearer Notes of Can. \$1,000 principal amount. Can. \$26.38 will be payable on each Can. \$1,000 principal amount. Can. \$26.38 will be payable on each Can. \$1,000 principal amount.

By: The Chase Machaltan Back, N.A.

Lendan, Agent Bunk

August 31, 1988

U.S. \$500,000,000 The Republic of Italy Floating Rate Notes

due 2005 In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from August 31, 1988, to Septem-ber 30, 1988, the Notes will carry an interest rate of 81/6% per annum. The interest payable on the relevant interest payment date. September 30, 1988, will be U.S. \$70.31 per U.S. \$10,000 nominal amount in Bearar (Coupon No. 27) or Be pon No. 37) or Registered form and U.S. \$1,757.81 per U.S. \$250,000 denomination in Bearer form (Coupon No. 37).

By: The Chees Menhettes Bank, N.A. London, Agont Bank August 31, 1988

U.S. \$200,000,000 Bergen Bank A/S Perpetual Floating Rate Notes (with the right to subordinate)

In accordance with the provisions of the Notes, notice is hereby given that for the six moratis interest Period from August 31, 1988 to February 28, 1989, the Notes will carry an interest Rate of 9445. The interest payable on the relevant interest payment date, February 28, 1989, will be U.S. \$465.07 per U.S. \$10,000 principal amount of Notes.

By: The Chase Manhellan Bank, N.A. London, Agent Bank August 31, 1988

U.S. \$300,000,000



Woodside Financial Services Ltd. (Incorporated in the State of Victoria)

Guaranteed Floating Rate Notes due February 1997 Unconditionally Guaranteed by

The Industrial Bank of Japan, Ltd.

In accordance with the Terms and Conditions of the Notes, notice is hereby given, that for the Interest Period from August 31, 1988 to November 30, 1988 the Notes will carry an Interest Rate of 8146% per annum. The amount payable on November 30, 1988 will be U.S. \$5,569.01 and U.S. \$222.76 respectively for Notes in denominations of U.S. \$250,000 and U.S. \$10,000.

By: The Chase Manhattan Bank, N.A. London, Agent Bank

August 31, 1988

OCHASE

U.S. \$250,000,000

Canadian Imperial Bank of Commerce (A Canadian Chartered Bank)

Floating Rate Deposit Notes due 2005

In accordance with the provisions of the Notes, notice is hereby given, that for the Interest Period from March 28, 1988 to September 28, 1988 the rate for the final interest Sub-period from August 31, 1988 to September 28, 1988 has been determined at 9%% per annum, and therefore the amount of interest payable against Coupon No. 7 on the relevant interest payment date September 28, 1988 will be

By: The Chase Manhattan Bank, N.A. London, Agent Bank

August 31, 1988



U.S. \$500,000,000 Lloyds Bank Plc (Incorporated in England with limited #ability)

Primary Capital Undated Floating Rate Notes (Series 2) For the three months 31 August 1988 to 30 November, 1988 the Notes will carry an interest rate of 8.9375% p.a. with a Coupon Amount of U.S. \$225.92 pay-able on 30 November, 1988 By: The Chase Manhattan Bank, N.A. Lamba, Agent Bank

U.S. \$600,000,000 Lloyds Bank Plc (incorporated in Englar with limited liability)

Primary Capital Undated Floating Rate Notes (Series 3) Footing National Petres (Series)
For the six months, 31 August, 1988 to 28 February, 1989 the Notes will carry an interest rate of 9.1625% p.a. with a Coupon Amount of U.S. \$460.67 payable on 28 February, 1989
By: The Class Manhattan Bank, M.A. Landon, Agent Sank

U.S. \$100,000,000

CITY FEDERAL SAVINGS BANK U.S.575,000,000

Collaceralized Floating Rese Notes due 1993

Interest rate 8 8625 p.a. Interest Period August 31, 1988 to November 30, 1969 Interest Psychia per U.S.\$25,000 Nove U.S.\$560-06.

August JI, 1968, Loption By CITIBANIC NLA.(CSSI Dapt., Agent Bari

First Bank System, Inc.

Floating Rate Subordinated Capital Notes Due 1997

Interest Rate

815/16% per annum

Interest Period

31st August 1988 30th November 1988

U.S. \$1,129.60

st Amount Di

U.S. \$50,000 Note due 30th November 1988

Agent Bank

Credit Suisse First Boston Limited

U.S. \$850,000,000



Floating Rate Notes Due 1993

Interest Rate

9.375% per annum

Interest Period

31st August 1988 28th February 1989

Interest Amount per U.S. \$10,000 Note due 28th February 1989

Credit Suisse First Boston Limited Agent Bank

U.S. \$125,000,000



BANK OF BOSTON CORPORATION

Floating Rate Subordinated Notes Due 1998 ssued 26th August 1986

Interest Rate

8.8625% per annum 31st August 1988

Interest Period Interest Amount per

U.S. \$50,000 Note due

30th November 1988 U.S. \$1,120.12

Credit Suisse First Boston Limited

_ Bank of Tokyo (Curação) Holding N.V. -£30,000,000

Guaranteed Floating Rate Notes Due 1990 unconditionally guaranteed by

The Bank of Tokyo, Ltd.

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the three months period 26th August, 1988 to 28th November, 1988, has been fixed at 12% per cent. per annum. Coupon No. 20 will therefore be payable on 28th November, 1988 at £1,581.11 per coupon from Notes of £50,000 nominal and £158.11 per coupon from Notes of £5,000 nominal.

S.G. Warburg & Co. Ltd.

CITICORPO U.S. \$500,000,000 Subordinated Floating Rate Notes

Due May 29, 1998 Notice is hereby given that the Rate of Interest has been fixed at 8.9375% and that the interest payable on the relevant Interest Payment Date November 30, 1988 against Coupon No. 10 in respect of US\$10,000 nominal of the Notes will be US\$225.92 and in respect of US\$250,000 nominal of the Notes will be US\$5,648.00.

August 31, 1988, London By: Citibank, N.A. (CSSI Dept.), Agent Bank-

CITIBANK

£85,000,000



Floating Rate Notes Due 1991

Interest Rate

Interest Period

125/16% per annum 26th August 1988

28th November 1988

Interest Amount per £5,000 Note due

28th November 1988 £158.11

Credit Suisse First Boston Limited Agent Bank

U.S. \$250,000,000

Régie des installations olympiques Floating Rate Notes Due November 1994



Unconditionally guaranteed by **Province de Québec**

Interest Rate Interest Period 813/16% per annum 31st August 1988

Interest Amount per

30th November 1988 U.S. \$50,000 Note due U.S. \$1,113.80 30th November 1988

Credit Suisse First Boston Limited

U.S. \$500,000,000 CITICORP (4)

(Incorporated in Delaware)
Subordinated Floating Rate Notes Due January 30, 1998 Notice is hereby given that the Rate of interest has been fixed at 8.45% and that the interest payable on the relevant Interest Payment Date September 30, 1988 against Coupon No. 32 in respect of US\$10,000 nominal of the Notes will be US\$70.42.

August 31, 1988, London
By: Citibank, N.A. (CSSt Dept.), Agent Bank

CITIBANCO

The state of the s

Elders unit buys BHP coal mine

By Bruce Jacques in Sydney

ELDERS Resources NZFP (ERN) has paid a reputed A\$70m (US\$56.8m) to acquire the Saxonvale steaming coal mine in New South Wales' Hunter Valley from Broken Hill Proprietary (BHP), continuing a rationalisation in the Australian coal industry.

The mine, built in the early 1980s, has since succumbed to the world coal slump and is now producing only about half its earlier output of 1m tonnes and is barely breaking even. BHP has been attempting to than A\$4m, is aimed at virtual sell the operation for two years control of the promising

Trust Bank

despite rally

TRUST BANK, South Africa's

fifth largest bank, has reported a strong increase in business for the year to June, in which disclosed profit after tax and

transfers to inner reserves rose to R57.7m (\$23.9m) against

Although the quality of its business was described as bet-

ter, the directors cautioned

that banking sector margins narrowed in the last quarter.

Disclosed total assets increased to R13.53bn from

R9.26bn and advances rose to

R8.58bn from R5.93bn. The bank is particularly active in the hire purchase market and

benefited from previous eco-

Net earnings increased to

43.4 cents a share from 36.0 cents and the year's dividend.

has been raised to 12 cents

Matsushita climbs 40%

nomic stimulation.

from 10.5 cents.

cautious

By Jim Jones

in Johannesburg

and it was almost unloaded to the then Peko-Wallsend group last year, but union problems stopped the deal.

The sale represents ERN's

first big move into coal mining although it is already a partner in a minor Hunter Valley oper-The deal comes on the heels of Industrial Equity's A\$400m tilt at Howard Smith. CRA,

another heavyweight mining group, has meanwhile made a bid which, although worth less than A\$4m, is aimed at virtual

Ensham coal area in Queen-

The company is offering 28 cents cash a share for Bligh Coal, a listed junior explorer. CRA already controls 15 per cent of the deposit, which is estimated to contain at least 75m tonnes of predominantly steaming coal which can be extracted by open-cut methods, and a takeover would make the company easily the biggest shareholder in the unwieldy seven-member management consortium.

cate a view that world coal markets have bottomed. They contrast sharply with the attitude of CSR, which has shed almost its entire coal portfolio over the past 18 months for about A\$500m, and MIM Holdings, which has a stated intention of reducing its coal assets if it can get reasonable prices.

The local Shell and Esso units have been the principal recent purchasers of Australian coal assets, on a mildly bullish medium-term view of

Sharp reverse at Trans-Natal

By Our Johannesburg Correspondent

second largest coal mining company, had its profits wiped out in the year to June and expects cash flow to remain unsatisfactory for several

Cash flow difficulties have persuaded the company to sell its interest in a torbanite shale synfuels project to Gencor. Trans-Natal's controlling com-

Gencor has paid Trans-Natal half of its R17m (\$7m) expenditure on torbanite research, and will finance the rest of a feasi-

bility study.
Trans-Natal increased total sales to 34.3m tonnes from 32.2m tonnes. Exports increased to 8.6m tonnes from 7.9m tonnes in spite of sanctions and a generally oversupplied world coal market.

Nevertheless, turnover fell to R936m from R958m as the dolened and the rand moved generally higher against the

Pre-tax profits were just

TRANS-NATAL, South Africa's R1.3m against R146.3m and a second largest coal mining taxed loss of R10.8m was suffered against net profits of

These strategic moves indi-

Mr Brian Gilbertson, the recently appointed chairman, says some of the group's financial problems have been reme-

He adds that higher dollar export prices and a weaker rand combined to allow Trans-Natal to generate a taxed profit of R3m in July this year but warns that cash flow will be affected by a R40m capital expenditure programme and a R38m tax payment due over

the coming two months. The year's loss was 19 cents a share and a dividend has not been declared. The previous year ended with earnings of 97 cents and a total dividend of 60

 Sasol, the South African oilfrom-coal manufacturer, suf-fered an earnings setback in the year to June and has called on the Government to implement protection guarantees given when the company was partially privatised in 1979. Turnover increased to R3.61bn from R3.20bn and pre-tax profit was R823m against

Sasol's synthetic petrol is sold to the oil majors for retail-ing under their brand names as well as at its own pumps. Pet-rol prices are controlled through a link to world crude The directors say that although the dollar prices of

liquid fuels were about 10 per cent higher, the effect was largely offset by an 8 per cent increase in the average value of the rand against the dollar. They say price increases of

16 per cent, which come into effect next month, do not address the problems of the synfuels industry and that a request for increased tariff protection is to be considered by the Government by the end of

Net earnings fell to 84.2' cents a share from 93.5 cents and the dividend has been maintained at 47.5 cents.

By lan Rodger in Tokyo

CONSOLIDATED net profits of Matsushita Electric Industrial, the largest Japanese maker of consumer and industrial electronic products, rose 40 per cent to Y51.8bn (\$385m) in the three months to June, due mainly to higher consumer and capital spending in Japan.

Sales were up 10 per cent to Y1,319.4bn, with a 14 per cent rise in domestic sales and a 4 per cent increase overseas. The

NEW ISSUE

company said sales gains in Europe offset declines in the

Video equipment sales accounting for 27 per cent of the total, were up only 1 per cent, but sales of electronic components, including semiconductors, were up 28 per cent to Y129.4bn. Communication and industrial equipment sales also grew strongly, rising

pre-tax profits to Y4bn (\$29.7m).

Strong sales of replacement tyres in Japan - plus increased sales of sports shoes, golf clubs and other goods boosted turnover by 13 per

cent to Y105bn in the six months to June.

After-tax profit was 79 per cent higher at Y2bn.

company is forecasting profits of Y7.5bn pre-tax on sales of

Sumitomo Rubber soars

By Stefan Wagstyl in Tokyo

SUMITOMO RUBBER, the Japanese tyre maker which has acquired manufacturing interests of Dunlop of the UK, yesterday announced an 81 per cent increase in its interim

The impact on profits was compounded by a cut in the cost of imported materials which resulted from a higher

For the current year, the

August 1988

Forsmarks Kraftgrupp Aktiebolag

This announcement appears as a matter of record only

Australian Dollars 70,000,000 13 Per Cent. Guaranteed Notes 1992

Guaranteed by The Kingdom of Sweden as to payment of principal and interest which Forsmarks Kraftgrupp Aktiebolag is legally liable to pay

Svenska Handelsbanken Group Mitsubishi Finance International Limited Westdeutsche Landesbank Girozentrale Yamaichi International (Europe) Limited

Arab Banking Corporation (ABC) **Capital Markets Group** Kooijman U.K. Limited Nomura International Limitèd Republic New York **Capital Markets S.A.** Spediey PWT Ltd.

Credit Commercial de France **IBJ International Limited Manufacturers Hanover Limited** Norinchukin International Limited Smith Barney, Harris Upham & Co. Incorporated SwedBank

Dresdner Finance B.V.

he Rate of interest applicable to the iterest Period from August 31, 1988 to lovember 29, 1988, inclusively,

Dresdner Bank Principal Paying Agent

Bank of Tokyo (Curaçao) Holding N.V. U.S.S.100.000,000 GUARANTEED FLOATING RATE NOTES DUE 1997



August 31, 1988, London By: Clubank, N.A. (CSSI Dept.). Agent Bank

CITIBANC

Morgan Stanley shifts team to Zurich

By Our Euromarkets Staff MORGAN International has transferre

its Swiss franc warrant and convertible bond trading team to Zurich from London as part of an effort to increase its presence in that market. The firm said the move

stemmed from a decision made last year to move trading in certain products to their country of origin. It follows the April move to Frankfurt of the desk handling its D-Mark

denominated products.

Dollar-denominated equity warrants, in which Morgan is an active market maker, will remain in London.

A Morgan Stanley official said the move had no connec-tion with the recent implementation in London of the Financial Services Act, which sets out strict consumer protection and capital adequacy stan-dards for the securities busi-

The firm noted that, in Swit-zerland, the trading of warrants did not attract Swiss stamp tax, which it said inhib-ited the development of an active secondary market in most other securities in that country.

The new unit in Zurich will have a staff of 13, of which five have been moved from London. The sales group will also provide the local market with information on the US equity markets.

Hopewell raises payout after earnings surge

By Michael Marray in Hong Kong

HOPEWELL HOLDINGS, the Hong Kong property and con-struction company headed by Mr Gordon Wu, yesterday reported net profits of HK\$459m (US\$58.8m) for the year to June, an increase of 68 per cent over the previous year's HK\$273.3m. A final dividend of 11 cents

per share has been declared, bringing the total for the year to 20 cents from a previous 17.3 cents on an adjusted

In addition to construction and property development activities in Hong Kong, Hopewell's interests include the China Hotel in Guangzhou (Canton) and a power station in Guangdong province.

The company is also building a superhighway which will

dramatically cut travelling time between Hong Kong and Guangzhou.

During the year, revenues from the Shajiao B power sta-tion, built and operated by Hopewell, rose sharply.

Perlis to hold profit level

By Wong Sulong in Kuala Lumpur

PERLIS PLANTATIONS, the Malaysian flagship company of Mr Robert Kuok, one of the most prominent south-east Asia Chinese businessmen achieved an operating profit of 74.8m ringgit (US\$28.2m) for the nine months to June on turnover of 779m ringgit. For the six months to June 1987, Perlis recorded an oper-ating profit of 29.5m ringgit on sales of 187m ringgit. The

group has changed its yearend from September to Decem-ber following the acquisition of Federal Flour Mills and Rasa Sayang Beach Hotels. Profit after tax and extraor dinary items for the latest period was 53.9m ringgit; in the 1987 first half it was 21.7m

Perlis said it should be able to "maintain its level of profits" for the remaining six months of the year. The group is paying a 6 cent interim dividend on the enlarged capital of 184m ring-

NZI setback despite higher turnover

NZI, THE New Zealand financial services company, has reported net profits almost halved in the quarter to June, the month when General Acci-dent of the UK bought 51 per cent control, Our Financial Staff writes.

The setback, to NZ\$23.1m. (US\$14.5m) from NZ\$43m, came in spite of a rise in turn-over to NZ\$724m from NZ\$560m and a NZ\$5m tax credit where NZ\$22.5m was

Shares in S African insurer suspended

SHARKS IN Liberty Life, the South African insurer which owns just over a quarter of Sun Life in the UK, were suspended in Johannesburg yesterday along with those o other group companies, Our Financial Staff writes. Liberty said only that nego-

tiations were taking place

which "could have a ma

Japanese bank borrowers anticipate US rates rise cated coupons of 5% per cent,

While the dollar's strength and the still-healthy appetite of Japanese investors for the US currency were clearly factors influencing the timing of the issues, opportunities to swap into floating-rate funds were also a factor.

But the disparate performances of the three issues, which carry fairly similar terms, show the extent to which Japanese investors are increasingly distinguishing between the credit quality of

different borrowers.

The largest of the issues was a \$200m five-year deal for Japan Development Bank which carries a government guarantee. The bonds bear a guarantee. The bonds bear a 9% per cent coupon and are priced at 101% to pay 45 basis points over US Treasury bonds. The issue was the borrower's first in dollars since April 1987 and offers a 6 basis point yield pick-up on outstanding paper. It closed inside its 1% per cent

But the other two Eurobonds, both for shareholder-owned banks, had a rougher

Dai-Ichi Kangyo (Australia) issued a \$150m four-year bund with a 9% per cent coupon and priced at 101% to yield 58 basis points over Treasuries. This issue, although guaranteed by the parent company and yielding as much as 10 basis points more than outstanding paper specifies. The deals were \$50m apiece and carry indi-

THREE JAPANESE bank borrower, hoping to catch US interest rates before they rise further, tapped the Euroband market in quick succession yesterday to raise \$500m.

While the dollars character branch assigned a Curação branch, assigned a coupon of 9% per cent and priced the deal at 101% to yield 83 hasis points over Treasuries. Nippon Credit Bank guaranteed the issue. The lead man-

INTERNATIONAL BONDS

ger said it was offering to buy the bonds within fees at less 1%, but had not bought any. Two other Japanese banks and two French banks are said to be lining up to raise dollars, possibly today.

Current market conditions allow banks to swap their fixed-rate dollars into floating-rate funds paying interest at 30 to 40 basis points under London interbank offered rates. While the window is not warting. While the window is not particularly advantageous for sover-eign and supranational borroweign and supranational borrow-ers which can sometimes swap into floating rates at 50 basis points under Libor, it repre-sents good value for the banks. In the secondary markets, dellon tumbered educative at dollar Eurobonds closed % to fi lower as the dollar slipped from Monday's highs set in

New York. Meanwhile, two small fouryear equity warrant Eurobonds were launched for Japanese the highest on any similar security seen this year.
The two borrowers are
Yussa Shoil, a machinery and housing equipment trader, and Howa Machinery, a manufacturer of machine tools and textiles. But the higher coupons

still appeared insufficient to spark investor demand, and both were seen well outside their 2% per cent fees at around 97. Nomura is not expected to launch any more equity warrant bonds until the end of September.

CB Finance Co, a unit of Commerzbank, issued a DM300m five-year bond with a 6 per cent coupon led by the parent. Commerzbank expects two thirds of the issue to be placed with its private retail network and the remainder with international investors. In the secondary market in West Germany, domestic bonds rose by about 40 basis points in the long end while Eurobonds posted gains of about ¼ point, aided by the weaker dollar.

Amro Australia, a subsidiary of the Dutch Amro Bank, issued a A\$60m three-year deal

with a 13% per cent coupon and priced at 101%. Nikko (Switzerland) lead managed its first issue in Switzerland in more than three years. Yesterday, it launched a SFr60m convertible bond for Takasogo Thermal Engineering, the borrower that it brought to market in 1985. The privately placed bonds carry an indicated coupon of 1/2 per

gjull I

Aboitiz takes stake in Philippine bank

Landbank of the Philippines has agreed to sell its 39 per cent stake in Union Bank of the Philippines to the local

STRAIGHTS
Asian Dev. BR. 6 94
Avis Fins SVS 53, 92
Bank of Tolyo 53, 93
Central BK. Tarkny 7 92
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Nat. West BK. PLCo 98. Nippon Teig. & Tei. 6 95... Oesters. Konthk. 5 93.... Portugal 5 1/4 92.... Portugal 6 1/4 95... Privattanken 5 1/4 93....

Frecher Chan. 4 2 79.

Kobe City 4 5 90.

Leeds Perm. 8/5. 4 1₉ 93.

Malaysia 5 1₉ 98.

Marwell Cosum. Drs. 5 95.

Matthewide Ans. 8/5. 4 93.

Pippon Tell, 8/Tel. 4 1₉ 95.

Gesters, Kibb. 5 03.

Vertical State 4 693.

Privatoaneer 5 4 43 Rayal Insurance 5 5 92 Soc Cent Nuclear 7 4 95 Turkey 6 4 95 Westlb. Finance 5 93 World BK, 6 4 97

Abolitiz group as part of its privatisation efforts, AP-DJ The reports from Manila. The Aboitiz group is a utility version programme, covering

GOVERNMENT conglomerate operating in the southern Philippines. The cost of the aquisition amounts to 518.6m pesos

(\$25.5m), or 327 pesos per The sale falls under the central bank's debt-to-equity con-

liabilities of Union Bank with the central bank.

The government Social Security System, one of the country's biggest institutional investors in the equity market, has guaranteed the contingent

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. E C 791

FLOATING RATE NOTES Alliance & Leic.Bid 94 E., Chase Manhattan Citicorp 98 IIS EEC 3 92 DAM Hallfax BS 94 £

BONIPS
Aicoa 6-1, 02 US
Aico 6-1, 02 US
Aico Health 6-1, 02 US
Amer. Brands 7-1, 02 US
Ashleagn Bant 2-1, 02 US
Asics 5-92 DM
CBS. Inc. 5-02 US
FURSIS 3-99 US
URINI-5-00 US
CRESS 3-90 US
CRESS 3-90 US
CRESS 3-90 US

U.S.\$ 350,000,000 Floating Rate Notes 1984/1989

Payment of the principal of, and interest on, the Notes is unconditionally and irrevocably guaranteed by

The Bank of Tokyo, Ltd. (National Oration Tokyo Ginko) in accordance with the provisions of the Agent Bank Agreement between Bank of Tokyo (Curação) Holding N.V., The Bank of Tokyo, Ltd., and Catibank N.A., dated November 27, 1985, notice is hereby given that the Rate of Interest has been fixed at 9-0125% p.a. and that the interest payable on the relevant Interest Payment Date, November 30, 1988, against Coupon No. 12 will be U.S.\$22782.

UK COMPANY NEWS

Dewhirst advances 15% midway

LJ. DEWHIRST Holdings, one of the largest suppliers of clothing and tolletries to Marks and Spencer, yesterday unveiled a 15 per cent increase in pre-tax profits to £3.2m in the first half of the year on the first half of the year on sales up 17 per cent to £41m. Mr Alistair Dewhirst, chair-man, described the company's performance as encouraging

given the intensely competitive state of the High Street and the impact of increasing imports on the clothing market. He said that the pace of trading had been reasonable, although Dewhirst had initially envisaged faster growth in sales. The company's earnings per

Ppine had

KE

over the At A mile

share rose to 2.16p (1.94p) in the 26 weeks to July 15. The board is increasing the interim-dividend to 0.27p (0.24p). Dewhirst saw its interest receivable fall to £2,000

(£175,000) in the interim period. This reflected the higher stock levels that the company has carried since the introduction of M and S's new computerised distribution system.

Last month Dewhirst entered into a joint venture with Elders International, part of the Australian brewery and sheep farming group, to source clothing from the Far East. The first garments from the joint venture should arrive in

the UK from this autumn Mr Dewhirst is retiring from the board this autumn. Mr Anthony Vice, director of the N.M. Rothschild merchant bank, will become non-executive chairman in November.

COMMENT Last year Dewhirst produced a lack instre set of results having suffered from sluggish sales and the hefty costs incurred in its excursions into women's wear and tolletries. Its progress this year is somewhat more encouraging. The disadvantage of working with as dominant a customer as M

tunes wax and wane with those of the retailer. The advantage, for a faithful sup-plier like Dewhirst, is that M and S offers a measure of protection against sudden surges of imports. Moreover the decision to form a joint venture with Elders in the Far East seems markedly more sensible than setting up from scratch in unknown territory. The City expects an increase in profits to f/m this year putting the shares – down 2p at 45p yesterday – on a prospective p/e of 9. Fairly valued: at least until Dewhirst proves that it can accomodate the new "high and S is that the supplier's for - tech" regime at Baker Street.

Courtaulds acquires Corah sock division

By Alice Rawsthorn

COURTAULDS, textiles and chemicals group, is expanding its hosiery interests by buying the sock division of Corah, the troubled textile company, for £7.5m cash.

Corah's sock business is based at two production plants: at Halifax and within Corah's headquarters in Leicester. neadquarters in Leicester.
Courtaulds is buying the
stocks and fixed assets of the
business, which made a small
trading profit on sales of
£15.3m last year, for £800,000
less than its book value.
Courtaulds will retain the
Halifay factory with its £50

Halifax factory with its 350 employees. It plans to move the machinery from the Corah site in Leicester to its own sock plant in the city. The relocation should be completed by the end of the year and is cted to involve the loss of

about 100 jobs from the work-force of 230 people.

The acquisition will double the size of Courtaulds' sock business which encompasses Wolsey, making men's socks under its own brand name as well as for Marks and Spencer, and Rowley, children's sock manufacturer. Courtaulds augmented its

sock interests a few years ago by buying a small M and S supplier and has since been keen to expand further. Mr Martin Taylor, Courtaulds' director responsible for

textiles, said that the sock market was attractive because of the relatively low level of import penetration and the scope for increasing productivity through automation. Moreover, he said, it is becoming an increasingly fashion conscious

For Corah, withdrawal from sock production forms part of the restructuring programme begun earlier this summer. For years the company has been burdened by heavy borrowings and poor profitability. In Feb-ruary it recruited a new chief executive, Mr John Foulkes, to

tackle these problems. Corain has already

redundancies and has closed its knitwear business. Mr John Hawksfield, finance director, said that the reorganisation of its core interests in underwear and leisurewear was now completed. The future of Corah's adventure clothing and curtain companies is still under

Once sock production has been relocated, Corah will consider the future of its Leicester

Charterhall, the investment vehicle controlled by Austra-lian entrepreneur Mr Russell Goward, now owns a holding in the group

London Finance slips 4% amid quieter conditions

QUIETER trading conditions on the Stock Exchange resulted in a slight reduction in taxable profits for London Finance and Investment

For the six months to June 30, this investment finance company recorded profits of £287,300, a decline of 4.4 per cent on the same period for the previous year. Net assets at the end of June stood at 80.27p per share, down from 120p last time, but a small improvement on the figure of 78.32p which prevailed at the year end in

December. Earnings per 5p share fell to 0.76p (0.89p). The general portfolio held by Erconovaal, the group's South African subsidiary, was sold during the period under review and the shortfall in the amount realised below cost was set off against non-distributable reserves as an extraordinary item of £346.000.

Wates City of London buys in 2.84m shares

By Clay Harris

WATES CITY of Loudon Properties took advantage of the weak stock market last Friday to buy in more than 2.84m of its shares - nearly 1.9 per cent of the total - at 170p.

Shares of the property developer had fallen on Thursday to 167p - the lowest close since February – when Wates' announcement of interim pre-tax profits of £24.6m, including

a £20.3m exceptional gain, coincided with the poor UK trade figures for July.

Mr John Nettleton, finance

and commercial director, said yesterday that Wates had already bought in 2.3m of its shares before entering pre-results purdah.

The company has authority from shareholders to buy in up to 14.9 per cent of issued share

COMPANY NEWS IN BRIEF

ALLIED RESTAURANTS has contracted to purchase a Wimpy counter service restaurant in Watford from existing franchisee for £650,900 cash. CENTRAL AND SHEERWOOD: EGM approved equity subscription by and acquisition of property interests from Robert Fraser Group. Approval was also given for provision of loan of up to £3.5m by Pergamon Holdings to company's engineering businesses. As a result of transaction, Fraser is now interested in 29.9 per cent of enlarged capital and Pergamon holds 20.7 per cent. Robert Maxwell has been appointed

chairman. COXMOORE: partial cash and loan alternative available under the offer from Oakwood accepted in respect of 93.4 per cent of ordinary shares.

American Business Systems

in 100,000 income shares (8.16

per cent). Asset Trust - Lexton Invest-

691,536 (5.6 per cent) and 30,278

shares (0.2 per cent) respec-

cent previously.

CCA Publications - Confer has purchased 564,250 shares and now holds 1.796m shares

GEI International - Govett

Strategic Investment Trust holds 8.589m ordinary (9.66 per

FLEXTECH subsidiary, Exploration and Production Services, is selling UK part of production services division to Team-Sel International, a member of British & Common-wealth Holdings. Consideration will be £260,000 cash and Exprowill be able to realise attributable working capital of £525,000.

A. GOLDBERG & SONS: Charterhall has increased its hold-ing to 4.02m shares (23.54 per GRAND METROPOLITAN has established a joint venture in Malaysia with a local company,

Ascot Sports. The new com-pany will set up and operate a chain of betting centres throughout the country under a 20 year exclusive government

PUBLISHING HOLDINGS' sub-

sidiary, Creative Service, is selling its design business to Up and Coming Productions, a company owned by Mr Peter Lacey who was one of the owners of Creative Service prior to its acquisition by Publishing

Holdings. Consideration is £70,000. SAATCHI & SAATCHI, advertising and business services group, plans a public offer of 1.56m shares in Tokyo as a prelude to beginning of trading in Japan, expected in mid-Octo-ber. Trading in Saatchi shares on the Paris bourse, meanwhile, has been transferred to the "monthly settlement mar-ket," the senior of two methods of trading equities in Paris. SKETCHLEY has sold its 40 per cent interest in Single Ser-

vice, a food ingredients packag-ing company. It was acquired

when Sketchley bought Break-

TRENT HOLDINGS is now some 78.48 per cent owned by Whitecroft. Acceptance to the offer... for . the ... outstanding shares totals 64 per cent. Offers declared unconditional.

TRIPLEX LLOYD has placed an order with Glasstech Inc, of Ohio, USA, for the supply and installation of a glass toughen-ing plant for its double glazed unit manufacturing subsidiary Thermovitrine at Hyde in Cheshire. The equipment should be fully operational by early 1989 and the total cost of the project will exceed £1m. Triplex has also exchanged contracts to sell its 11-acre former Parker Foundry site at Derby for £800,000.

VPI to set up investor relations division

By Martin Dickson

VPI GROUP, the public relations business formerly known as Valin Pollen, yester-day underlined the rapid growth of its investor rela-tions division with the announcement that it was spinning off this side of its UK operations into a separate company.

Investor relations means advising companies on how best to keep in touch with the financial institutions which hold their shares, it is still a relatively undeveloped art in Britain, but since VPI entered the field three years ago this area has grown to account for about one third of its UK

Last year VPI made a big move into the US with the £70m acquisition of the Carter Organisation, a leading investor relations business.

tor relations business.

Now the group is setting up its London investor relations business as a separate subsidiary. This will be called Carter Valin Pollen, the same name now used by its New York investor relations business. Mr Howard Lee, formerly an assistant managing director of Valin Pollen Limited, VPI's main UK business, will be managing director of the new company.

Mr Angus Maitland, chairman of the new subsidiary, said that the changes were designed to create a strong, world-wide investor relations brand name. He said this reflected the internationalisa-tion of securities markets and the need for companies to com-municate with investment communities around the globe. He argued that the growing technical sophistication of the

business would create substantial barriers to entry, so that over the long term the successful players would be the largest groups, such as VPL For example, the group has just launched what it says is

the UK's only comprehensive, on-line computer service enabling client companies to keep a close eye on their share registers, and in particular on shares held in nominee names. Mr Maitland said this had generated considerable interest from companies, and five systems were already being

Food Industries buy Food Industries, the quoted subsidiary of Ireland's largest

private company, Goodman acquire the remaining 50 per cent of Baillie Foods, a skimmed milk processor, which it does not already own. The vendor is MacCormac Products, a subsidiary of Express Dairy Company. Consideration will be 1m shares in

FI, worth around £1.85m. fl was previously known as Merchants Warehousing. Goodman bought a 66 per cent stake last year and injected its non-meat interests into the renamed group.

Engineering side boosts Telfos 88% to £1.96m

TELFOS HOLDINGS, the diversified engineering group which earlier this month failed in its £30m takeover bid for shipping, security and insur-ance group Walter Runciman, yesterday reported interim pre-tax profits 88 per cent ahead at £1.96m.

The advance from £1.04m was made on sales which more than doubled to £10.35m (£3.76m) for the six months to June 30 1988. Earnings per share rose from 6.0p to 7.5p and the directors have declared an interim dividend of 3.0p

(2.0p). Telfos still holds its 28.6 per cent stake in Walter Runciman

and in a statement yesterday the chairman said the Telfos directors believed "the holding will prove a valuable investment." By the end of the ten week bid battle Telfos had gained acceptances from Run-ciman investors holding 12.1 per cent, which, with its own 28.6 per cent stake, gave it a total of 40.7 per cent. Accord-ingly, the bid lapsed. The bulk of Telfos's interim

profits advance comes from doubled engineering profits of £1.05m, compared with £517,000

of orders foregone.

The dispute is a hang-over

from VI's creation in 1985

building machinery, sack-mak-ing equipment, fork lift truck manufacture and non-ferrous metal production and metal spraying.

Telfos will benefit from "substantial order books in the sec-ond half," the company said.

Investment activity profits increased from £420,000 to £531,000 and property dealing profits contributed £466.000

The interest charge was The company, operating from factories in Leeds and Birmingham, has interests in £600,000 (£186,000). Tax took

Verson one up in US battle

Verson Allsteel Press.

By Richard Tomkins, Midlands Correspondent

VERSON International, the will pick up compensatory Midlands-based engineering damages for three years' worth group, has won the crucial first round in a legal battle over its rights to enter the world-wide market for high-speed coil pro-cessing equipment. The Federal District Court of

Chicago has granted it a pre-liminary injunction against Allied Products Corporation of the US, requiring Allied and its F.J. Littell division to hand over technology for the manufacture of Littell's coil process-

ing machinery.
VI believes the decision will bring it orders worth 24m in the first full year. It also increases the likelihood that VI processing equipment at its Bronx Engineering subsidiary, but only for the low-speed heavyweight requirments of steel mills and stockholders.

when Texan entrepreneur Mr Tim Kelleher bought out the company from its US parent, Littell dominates the worldwide market for equipment used in light-weight, high-speed applications such as The buy-out deal gave VI can-making and packaging. It is now required to hand over access to its parent's technology and the exclusive right to use it outside North America. the know-how and trade marks necessary to allow VI to take But according to VI, when Verover production of this equipson Alisteel and its Littell subment for markets outside sidiary were taken over by Allied, the new owner proved North America.

Vi expects to begin manufacturing the equipment before the end of the year.

Propeller trebled at £313,000 in first half

PROPELLER, men's leisure and casual wear specialist, tre-bled its profit from £104,000 to £313,000 in the half year ended July 31 1988.

Turnover increased 70 per cent to £3.67m. And earnings rose to 2.46p (0.83p). The company's shares are traded on the

Mr Mike Keen, chairman, said trading in the second half

remained buoyant, and he was

unwilling to comply with its contractual obligations.

VI already manufactures coil

were being progressed.
Finances remained in excel-lent shape and there were sub-

confident of a satisfactory result for the year. Michael Ross Group had been integrated and several other potential acquisitions

stantial funds on deposit. It was intended to pay a dividend for the year, the chairman

SEP at £420,000 midway

SEP Industrial Holdings, USM-quoted fastenings and components group, revealed pre-tax profits of £420,000 for

the six months to end-March. The outcome, scored on turn-over of £7.71m (£6.43m), compared with profits of £364,000 last time adjusted to include the acquisition of Building

Siebe disposal Siebe, controls, engineering and safety equipment group, has sold its British Gas & Oil Burners subsidiary to Bray Technologies, OTC-traded gas burner manufacturer, for £711,000 in cash and the repayment - over three years - of a £254,000 interest-free loan. Trade Investments in April. After tax of £72,000 £105,000), earnings per 5p share worked through at 1.35p, up from 1.21p, and the maiden interim dividend is set at 0.3p. The directors expect sub-

stantial progress for the full year and intend to recommend a final dividend of at least 0.4p.

James Dickie

Despite a 23 per cent increase in turnover to £2.62m, James Dickie, drop forgings maker, incurred a loss of £106,038 in the half year to April 30. The outcome compared with a loss of £237,907, but directors said that a return to profits was not expected during 1988.

Irish Contl set to achieve its profit forecast

Irish Continental Group, ferry operator, believes it is in a position to achieve the profit of L£700,000 for 1987-88 forecast last March.

Shares were placed on the Dublin smaller market at 55p each, following an institutional buy-out in the previous year. In the six months ended April 30 1988 the company incurred a loss of £2.25m, against a restated £2.45m. That was broadly in line with expec-tations and reflected the sea-sonal nature of the business, with the summer accounting for by far the greater share of traffic revenues

The improved result stemmed principally from an increase in freight carrying on both routes, savings in fuel costs, and a reduction in finan-cing costs following restructuring of the company's finances.

Yearlings up

The interest rate for this week's issue of local authority bonds is 12½ per cent, up ½ of a percentage point from two week's ago. The bonds are issued at par and are redeemable on September 6 1989.

A full list of issues will be published in tomorrow's edi-

AAF Investment Corporation plc

has sold 1,475,000 shares in

BEATSON CLARK plc

for a cash consideration of \$5.53 million as part of a reorganisation and refocusing of the Company's interests

The undersigned advised AAF Investment Corporation plo in the above-mentioned transaction



ARBUTHNOT LATHAM BANK LIMITED

Merchant Bankers 131 Finsbury Pavement London EC2A 1AY 01-628 9876

A member of the international NZI Bank group



By: Citibank, N.A. (CSS) Dept.), Agent Bank CITIBANCO lugat 31, 1988, London

Changes in the following

SHARE STAKES

has increased its holding to 6.905m ordinary (7.4 per cent). Kleinwort Charter Invest company share stakes have recently been announced: ment Trust - As a result of Alphameric - Scottish Amirecent purchases, interest of Prudential Corporation is cable Investment Managers 5.713m ordinary (7.05 per cent). London Shop - British Steel Corporation Pension Fund is holds 1.648m ordinary (8.4 per

- Royal Insurance Group now holds 2.148m ordinary (5.74 per per cent).
Murray Smaller Markets Trust - Sun Life now holds 3.432m ordinary (6.183 per Archimedes Investment Trust - Exeter High Income Trust has acquired an interest

New Guernsey Securities Trust - W.R. Stuttaford, direc-tor, has bought 10,000 ordinary

interested in 12.1m shares (20.1

ments has bought 187,000 ordinary making holding 3.52m (23.66 per cent).

Baldwin - David Landau, chairman, and Sandy Singh, chief executive, now hold at 75p each and now holds
100,000 (5 per cent).
Norish - Standard Life Assurance Co. has increased its holding to 8.55 per cent.
Richardsons Westgarth - C.F. I. Assertsons has reduced

G.F.J. Armstrong has reduced his holding to 1.228m shares (6.7 per cent). Sovereign Oil and Gas - Nor-wich Union Life Assurance Society ("B" account) has acquired a beneficial interest in 3.225m ordinary (5.8 per

tively.

Cape Industries - As a result of a number of other share-holders converting their holding in 8.4 per cent cumulative convertible redeemable preference shares. Charter Consolidated now holds 68.8 per cent of ordinary, against 74.1 per cent praviously. cent). Stag Furniture - Following recent purchases, clients under management of Framlington Group now hold 1.334m ordi-nary (17.28 per cent), Staks Holdings - Harvard Securities has exercised its and now noise 1.75cm shares
(16.3 per cent).

FII Group - Scottish Amicable Investment Managers has
acquired 125,000 ordinary
bringing holding to 882,000 (7.3
per cent).

GET International County

Securities has exercised its option to subscribe at 5p in share capital of company in respect of 1.505m options (4.3 per cent of enlarged capital).

Steetley - Prudential Portfolio Managers has reduced holding from 5.02 per cent to less than 5 per cent, as a result of recent one-for-five rights issue when PPM did not take up full entitlement.

Independent Investment Bank of England Pension Fund entitlement. The Chase Manhattan Corporation U.S. \$175,000,000

Floating Rate Subordinated Notes due 1997 Notice is hereby given that the Rate of interest has been fixed at 9% and that the interest payable on the relevant interest Payment Date. November 30, 1788 against Coupon No. 12 in respect of US\$10,000 nominal of the Notes will be US\$227.50. This announcement appears as a matter of record only



Goodman Fielder Wattie Limited Australasia's largest food company



a major miller and baker in the Netherlands

The undersigned initiated this transaction, acted as financial twisers to Goodman Fielder Wattie Limited and assisted in the subsequent negotiations and execution of the transaction

NLG 70.9 million

Amsterdam-Rotterdam Bank NV (Amsterdam) Amro Australia Limited (Sydney) EBC Amro Bank Limited (London)

> Jarden Morgan Ltd (Sydney) assisted in this transaction

June 1988

UK COMPANY NEWS

Rentaminster becomes latest recruit for Third Market

RENTAMINSTER, which through its operating subsidiary BES Construction Services supplies labourers for the construction industry, yesterday became the Third Market's latest recruit writes Clare Pearson.

The placing is of 1.34m new ordinary shares at 60p each to raise about £566,000. At the placing price, the company has a market capitalisation of £2.44m.

Rentaminster was formed last year by Mr Rodney and Mr Neville Toogood, whose backgrounds lie in finance and property, for the purpose of taking over BES Construction Services for an initial consideration of £232,056. The Toogoods' aim was to expand BES's customer base by making use of their contacts in

the construction industry.

After the placing, Rentaminster hopes to expand through acquisition, and possibly the opening of new outlets.

The proceeds of the placing will be used to satisfy a second cash payment to the vendors of \$474,777. At the same time, £425,000 of the £470,000 third payment is being satisfied in a mixture of £25,000 in cash and the allotment of 333,333 preference shares and 333,333 ordinary shares - which will be retained by

Rentaminster achieved pre-tax profits of £280,000 on turnover of £2.95m in the year to May 31. This compared with BES's results of £221,000 pre-tax on £2m turnover in the previous year. The placing was arranged by Brewin Dolphin.

ISA acquisition

ISA International, distributor of branded consumables such as paper and ink, magnetic disks and tapes for information processing equipment, has agreed to acquire Productera, an Edinburgh based company which trades as Computer Supplies for £1.3m cash, writes

Fiona Thompson.

Productera distributes computer consumables and office supplies to 4,000 customers nationwide. For the year to November 30, it reported pre-tax profits of £33,000 on sales of £5.55m. Mr John Parkinson, chairman, said the acquisition would boost ISA's customer base in Scotland and in north east England.

Caird/Wistech

Caird Group, waste disposal and property company, has bought an additional 602,000 shares in Wistech at 50p to raise its stake in the OTCtraded specialist cleaning and materials group to 12.7 per

cent.
Wistech's talks with at least three potential suitors announced on August 19 - are proceeding. Although their names have not been disclosed, they do not include Caird, which withdrew a proposed £7.5m offer in July but has not renounced its ambitions even-tually to buy Wistech.

Godwin Warren

Shares in Godwin Warren Group, manufacturer of carpark barriers and railway buffers, were suspended at 80p pending the outcome of negotiations for a "substantial acqui-

arpe & Fisher TelfosWilliams Hidgs ...

Growth planned through acquisitions

Peek

Share price relative to the

Aug 1987 Jan 1988 Aug

total sum realised is expected to be between £15m and £20m.

As far as the former Dubilier

businesses are concerned, Peek is focusing on the radio fre-

quency component operations, All companies made further

progress on the comparative

period with particularly nota-ble performances has not nota-

ble performances by Polysonics, Sarasota Revenue Systems and Rusky Computers, he said.

Overall, turnover nearly tri-

The figures are in line with the high performance of the property sector which has been riding on the crest of a wave. Strong demand from the

retail sector for new and expanded premises has allowed Bredero sharply to expand its development programme at an estimated cost of 2450m. This mainly concentrates on retail

mainly concentrates on retail

property, although with pro-

jects in Hammersmith, west London and Regents Street in London's West End, there is a

With its cash balance of about £27m, the company is

pled to £15.1m (£5.2m).

FT-A All-Share index

Peek up to £2.44m in first half

PEEK, the former shell company turned into an electronics and technology group by Mr Kenneth Maud, South African industrialist, yesterday announced pre-tax profits of £2.44m for the first six months

As a result of a string of acquisitions, the results are not comparable with those of last year, when Peek scored pre-tax profits of £869,000.

The latest figures include five months' contribution from Polysonics, bought in February for \$6.3m (£3.75m) and a onemonth contribution from Dubilier International, the electronics components company bought in June for 2107m.
Viscount Slim, chairman,
said that these two acquisi-

tions had been successfully integrated into Peek and were making significant contributions to performance. The group had undergone an internal reorganisation and was now focusing on industrial automation, instrumentation and connectors.
Within the re-organised

group, certain non-core activi-ties have been identified and may be divested, he said. The

BREDERO PROPERTIES, town

June 30 came out at £1.93m against £1.2m in the same

period last year and £3.7m for the whole of 1987. Earnings per share were 7.8p (4.9p), The interim dividend is 2p (1.7p).

actively looking at future acquisitions. Mr Kenneth Maud, chief executive, said that the company was looking in the UK, US and Europe at applied electronics companies involved in aerospace, health-care and industrial automa-**V**

"In the foreseeable future we will concentrate on acquisitions of between £5m and £20m. with a larger acquisition hopefully next year," he said. Peek manufactures and distributes products from plants in the UK at Winchester, Har-

low and Coventry. In North America, Peek has factories in Sarasota, Florida; Long Island, New York; Houston, Texas; and Toronto, Canada. Earnings per share doubled to 1.2p. An interim dividend of 0.3p (1987:nil) was announced.

• COMMENT

There are two schools of thought about Peek. One depicts it as a straightforward acquisitions machine – fuelled by its own paper, it buys more lowly rated companies and thus boosts earnings per share. By this account, the Dubiller

significant new office element. Residential property accounted

for 13 per cent of profits.

The main retail development

projects are in Aberdeen, Glas-

gow, Fleet, Paisley, Dorking

and Southampton. Shopping centres in St Albans, Notting-

ham and Aberdeen have all started to contribute to profits,

while Bredero retains an inter-

est in the Ashley Centre,

Epsom, where rent reviews have just started.

The revenue stream is expec-

acquisition in June was important - not for any industrial importance, but because it gives Peek the size and credibility to launch another and much larger takeover bid. The second camp does not deny Peek's ambition - already proven by its transformation from a cash shell to a £140m company in just two years. But it reckons that Peek has now lined up an impressive band of managers who can refocus its acquisitions, impose tighter financial controls and impose cross-fertilisation of technologies and markets within the group. But if on this point Peek has a lot to prove, more earn-ing enhancement should, in any case, come through acqui-sitions. That is because Peek boasts a generous cash balance and an above avarage multiple of 17 — a figure that assumes pre-tax profits for the year of 28.5m and a share price, up by 1p to 48p. But whatever Peek's promise, it is unlikely to prompt a substantial rise in the share price, in common with most ambitious, acquisi-tion-led companies, Peek does

not appeal to bear market pay-

ted to grow as more develop-

The company is shielded from the recent rises in interest rates. Its development finance has been done either

on a project basis with fixed interest finance or through pre-funding by institutions or in joint ventures.

Sharpe & Fisher profits leap and plans DIY sale

By Clare Pearson

SHARES IN Sharpe & Fisher rose 87p to 305p yesterday after the diversified builders' merthe diversinen pullages that chant said it planned to sell Sandfords, the UK's eighth largest DIY superstore operator, and distribute the proceeds

to shareholders.
S&F described the anction as the last chance for an established DIY relater to acquire a new portfolio of outlets.

The announcement accompanied the interim results, which showed group pre-tax profits 50 per cent up at 22.79m (£1.86m). The sale, whose structure is unusual in Britain but more common in the US, is expected to raise between £40 and £50m. although out of this S&F will be retaining £8m worth of inter-company debt. It also intends to keep the freehold interest in seven of the 15 sites.

Extra funds should provide sufficient resources for the planned expansion of the core

planned expansion of the cure
builders' merchants business,
according to Mr Charles
Fisher, chief executive.
Industry sources suggested
yesterday the most likely purchasers were Ladbroke and
Ward White, whose respective
Texas Homecare and Payless
subcidiaries are the second and Texas Homecare and Payless subsidiaries are the second and the fourth largest DIY superstore operators. B&Q, the largest competitor which is owned by Woolworth, was thought a less likely buyer because of geographical overlap.

Sandfords accounted for 15 May 1995 1900 of S&F's total ments are completed and Bred-ero stated that it had "a solid foundation for the future growth of the group's business in both the short and medium

£1.64m (£954,000) of S&F's total pre-tax profits in the six months to June 30. The hal-ance was chiefly made up of the builders' merchant busi-nesses although there was also a £51,006 contribution from

property.
On turnover of £20m (£15.98m), Sandford's net margins rose by 1.1 percentage points to 8.2 per cent which S&F says reflects improved efficiency as well as the mild

weather. Openings at Sutton Coldfield and Havant brought the number of stores to 15 by the end of the first half, three new openings are planned at

At Sharpe & Fisher (Building present. Supplies), net margins reached 5 per cent for the first time at the interim stage as pre-tax profits rose to £1.1m (£802,000) on sales of £21.57m (£19.15m). To bring dividend payments in the units apparents and the units apparents in the units apparents.

in line with expectations for the rump of the business, the interim payment is unchanged at Ip despite a jump in carnings per share to 9.1p (6.1p).
The sale is subject to S&F receiving assurances from the Inland Revenue that it will not be liable to tax on the pro-

COMMENT S&F's exit from the DIY super-

store sector looks like a gem of a deal. It is selling Sandfords, where pre-tax profits have grown at a compound rate of 40 per cent over the last four years, before the expected price war between majors gets gginggoing so in a tax-efficient manner, and making a grand gesture by handing the pro-ceeds back to shareholders. Nor are investors being left with a shell: it says margins can yet be improved on the building materials side, while the properties may provide about \$1.5m of rental income annually. Assuming they share Mr Fisher's view that DIY retailing will eventually go the way of the food sector, it might seem worthwhile to one or other of the majors to deliver a present of more than £2 each to S&F's shareholders. Even taking into account the risk the sale will not go through, that should leave the shares with a bit firsthan to the same with a bit further to go. Pre-tax profits of about £6.5m are expected

Retail demand lifts Bredero to £1.93m

John Bairstow, chairman of Queens Moat. "We have no By Paul Cheeseright, Property Correspondent

investment purposes, said Mr Nicholson." centre retail and office developer 52 per cent owned by Slough Estates, lifted pre-tax profits by 62 per cent and raised earnings per share by 59 per cent in the first half of 1988. BAe issues circular British Aerospace yesterday issued a circular outlining the terms of its offer for the minor-Profits for the six months to

ity holding in Rover Group. As revealed last month, BAe is offering 100p in cash for each share. There is also a share alternative, equivalent to 100p, of one BAe share for every 4.93 in Rover.

Queens Moat stake

Queens Moat Houses, the

provincial hotels operator, yes-terday disclosed that it held a

5.64 per cent stake in Vaux, the

Sunderland brewing and hotel group, writes Lisa Wood. Earlier this month Queens

Moat took its stake to 4.7 per

cent with the purchase of a 2.5 per cent holding in Vaux owned by Sir Ron Brierley's

IEP Securities.

Mr Frank Nicholson, managing director of Vaux Breweries

said discussions had taken

place between Mr Paul Nichol-

son, chairman of Vaux and Mr

reason to think tht Queens

Most is buying other than for

The Rover minority is being asked to vote in favour of the deal at a meeting at the Queen Elizabeth II Conference Centre in London on September 22. Should the deal not achieve the requisite majority - 75 per cent in value terms and 50 per cent in numerical terms of the Rover minority - BAe will make an offer of 2.7p per share, equivalent to the terms being paid for the Government's 99.8 per cent holding.

				_	
DIVIDENDS ANNOUNCED					
	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Border TVfin	1.05	-	0.8	1.7	1.4
Bredero Propsint	2	_	1.7	-	5
Cater Allen Giltint	30	-	30	-	120
Dewhirst (IJ)Int	0.27	Nov 18	0.24	-	0.93
Peckint		Jan 3	-	-	0.3
Ryan Hotelsint		-	0.5	-	1.5
SEP industrial §int		-	-	-	-
		_	_		_

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. §SUnquoted stock. ¢Third market. †Final of 6p is forecast. •Irish currency.

Sept 20

BOARD MEETINGS

of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interina or finals and the subdividends are interina or finals. TODAY Interims—ASEA, American Trust, CLF, Edinburgh Fund Mngra, Erith, Guardian Royal Exchange, Maclasiane Group—Meewell Comm. Pacific Assets Trust, Pearl, Pentland Incustries. Royal Trust Govt. Secs., Slough Estates, Steef Burrill Jones, Suffeigh Elect. Final-Daves (D Y). TR Property k	see Sept Sept Sept Sept Sept Sept Sept Se
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Ryan Hotels cuts losses Ryan Hotels has turned in

better than expected results for the half year ended April 28 1988, reducing its loss from E711,000 to E169,000, equal to

The directors said the improvement was continuing strongly in the second half.

Turnover in the current half slowed to £5.9m (£5.99m). Again the interim dividend is 0.5p. Loss per share came to Sept. 15 0.5p. Loss sept. 12 0.5p (2.05p).

Carlton Comms moves into printing

By Raymond Snoddy

MR MICHAEL GREEN, chairman of Carlton Communi-cations, the television services company, yesterday returned to his roots in the printing industry with the £13.5m acqui-sition of Cambridge Computer

Mr Green, who began his working life as a printer, has now returned to the industry for the first time by buying a manufacturer and designer of computerised graphics Cambridge Graphic Systems

was set up in 1983 as a com-pany specialising in the display the computer-aided-design (CAD) industry. Increasingly it has been producing image publishing systems, which can handle text and graphics for the corporate, or in-house, pub-

lishing sector.
This week at the IPEX 88 the company, which made pre-tax

profits of around £800,000 last year on turnover of £4.1m, will be displaying complete systems capable of turning out brochures or annual reports.

Carlton is paying £6m in cash and shares and additional

payments of £7.5m are related to performance between now and 1992. Cambridge Computer, which

will remain in the CAD sector as well as developing its print-ing business, is likely to be the vehicle for further Carlton acquisition in the pre-press sector of the printing industry. This is the area where computrapid.
"Pre-press is very interesting

to me. It's how you get the image originally," said Mr Green, who added that he had always been interested in the

lent of corporate video, an area Carlton has been in for some

time.

Meanwhile, a New York analyst has hailed Carlton as the company most likely to benefit from the de-regulation of the European television industry.

Ms Jessica Reif, vice president of CL Global Pariners Securities Corporation, part of the Credit Lyonnais Group, estimates that Carlton earning's will triple over the next

five years.
"We believe the imminent arrival of dozens of satellite-delivered and newly privatised of de-regulation can only be interpretated as a major posi-tive for Carlton," the study

says. CL Global estimates pre-tax profits for 1989 will be £65m on printing industry.

Corporate publishing is in many ways the print equiva-

Advertising revenue up 8% as Border hits £0.7m

By Flona Thompson

BORDER TELEVISION, USM-quoted IBA contractor for Cumbria, southern Scotland, and the Isle of Man, yesterday reported pre-tax profits of £716,000 for the year to April 30, 42 per cent up on last year's £503,000.

Advertising revenue for ITV's smallest mainland contractor increased by 8 per cent to £9.4m. Turnover rose to £11.81m from a restated £10.01m.

Although Border's share of the ITV network's total advertising revenue was slightly down at 0.7 per cent, Mr Peter Brownlow, finance director, said he felt that the drift of advertising revenue to the south had slowed and revenues were now stabilising. Programme sales to Channel

4 and ITV doubled to £1.95m from £956,000, children's and young people's programmes doing particularly well. An extraordinary debit of £122,000 was due to the com-

pany writing down to £1 its investment in Super Channel. Estraings per share rose from 3.4p to 4.2p and a final dividend of 1.05p is recommended, making a total of 1.7p (1.4p) for

the year. Mr Brownlow said shares representing a 14.96 per cent stake in Border sold last October to a nominee of the Mirror ert Maxwell's Bishopsgate Investment Trust, will be enfranchised soon to four trustees, two to be nominated by the Mirror Group and two

Hambros buys **US** mergers specialist By David Barchard

HAMBROS, the city merchant bank, has purchased Harry Roman & Company, a Los Angeles-based company specialising in private company

No details of the terms have been disclosed, though Mr Harry Roman, the company's chairman, is to continue in his The purchase is aparently

aimed at increasing the num-ber of acquisition opportunities in the US which Hambros is able to offer to its clients in the UK and elsewhere. Hambros said yesterday that it had known and worked with Mr Roman for several years.

Mr Christopher Sporburg, deputy chairman of Hambros, cited Mr Roman's large data base of Information about American private companies and his reputation for discre-tion among the attractions of the purchase.

In April this year, Hambros bought a 50 per cent stake in Shea, Paschall & Macchioni, a private investment bank in New York. Meanwhile Hambros has

moved its head office from Bishpsgate to Tower Hill on the edge of the City. All of the 700 staff who previously worked at Bishopsgate have been transferred to the new

CORRECTION

Trilion

Yesterday's profile of Trilion misleadingly stated that the company "made" Channel 4's Business Programme. The pro-gramme is produced by Busi-ness Television, a wholly-owned subsidiary of Broadcast Communications, which rents studios from Trilion.

Tomkins sells stake in RSJ to Birmid Qualcast By Philip Coggan

BIRMID QUALCAST, home products group, has bought a 6.9 per cent stake in Ransomes Sims & Jeffries, grass-cutting machinery manufacturer, from Tomkins, industrial mini-con-glomerate.

The 1.93m shares fook Birmid's total stake in RSJ up to 8.36 per cent. Mr Peter Prately. Birmid managing director, said his group were "long-standing admirers" of RSJ. "We were made aware that

this package of shares was becoming available" he said "and we bought them both because we think they're a good strategic investment and because we would rather they were in our hands than in someone else's".

RSJ was not quite so enthu-stastic about Birmid's pur-in June 1987.

chase. Mr Bob Dodsworth. chief executive, said that RSJ would not welcome any further share purchases by Birmid.

Although Birmid, which is capitalised at around £290m is about three times larger than RSJ analysts doubt whither it is likely to launch a bid. Birmid had a narrow escape from takeover by Blue Circle earlier this year and the latter retains a 43.8 per cent stake, severely limiting Birmid's room for manoeuvre.
Tomkins, which recently

acquired Murray Ohio Manufacturing, US-based manufacturer of lawnmowers and bicycles, for \$224m (£133m), has held a small stake in RSJ for a number of years, although it only pushed its holding above the disclosable 5 per cent mark

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WE A EXAMPLE OF THE PROPERTY O **Investors In Industry** International B.V. £125,000,000

Guaranteed Floating Rate Notes 1994 For the three month period 24th August, 1988 to 24th November, 1988.

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 11% per cent per annum and that the interest payable on the relevant interest payment date, 24th November, 1988, against Coupon No.4 will be £298.50 from Notes of £10,000 nominal and £29,85 from Notes of £1,000 nominal.

S.G. Warburg & Co. Ltd.

Agent Bank

U.S. \$125,000,000

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Notice is hereby given
pursuant to the Terms and Conditions of the Notes that
for the three months from
31st August 1988 to 30th November 1988
the Notes will carry an interest rate of 813/16% per annum.
On 30th November 1988, interest of U.S. \$222.76 will be
due per U.S. \$10,000 Note for Coupon No, 12. EBC Arnro Bank Limited

(Agent Bank) 31st August 1988

SECURITIES AMARKETS AROUND IN WORLD

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at 10p. Fergal: 70ok's interim turn-

Fergabrook rescue package

THUNDERCATS, spin-offs of an animated Saturday morning television show starring anthropomorphic super-felines, have had their day. Bouncing to the rescue is an evergreen toy with an unbeatable brand name - the Wembley plastic

football. Fergabrook Group, the toys and cosmetics distributor, yesterday unveiled a complex rescue package under which Har-lestone Industries, Britain's dominant maker of plastic foot-balls, will reverse into the com-pany in an all-paper transaction and take immediate management control.

Fergabrook is also to raise a net £2.6m through a deeply dis-counted share issue at 10p, compared with its suspension price of 17p on August 19. Altogether, it intends to triple the number of shares in issue. The need for the rescue was

evident yesterday, as Ferga-brook also disclosed a sharply

July 1. Interim losses per share soared to 9.49p (3.04p). Mr Richard King, Fergabrook chairman, blamed the losses on high central over-heads, purchasing constraints because of cash shortages, high levels of returns and lower

higher pre-tax loss of £2.5m (£771,100) in the six months to

margins on clearance sales.

The 1988 half also suffered by comparison because of the high level of Thundercats sales in the 1987 period. Fergabrook said its Rainbow Toys subsidtary had reduced its dependence on a single range and had begun to replace Thundercats with more durable and less fashion-related

In addition to balls sold under the Wembley and Frido names, Harlestone also makes sound insulation kits and replacement carpets for cars. It made pre-tax profits of £307,554 on sales of £5.76m in 1987 and

£308,000 for the current year. Mr Philip Harrison, chair-man of Harlestone, took over yesterday as Fergabrook chief executive. He said the future of the group's security and cos-metics divisions was under review. The latter has already been substantially wound

has warranted profits of

Mr Nicholas Condon joined Fergabrook as finance director yesterday, while his predeces-sor Mr Nicol Bilsland, manag-ing director Mr Chris Adams, and non-executive director Mr Christopher Armstrong have all resigned.
Of the 24m shares being

issued to finance the £2.4m takeover of Harlestone, 19m are to be retained by the vendors. The other 5m shares, as well as 30m additional shares, have been previsionally placed

over rose to £5.73m (£5.23m).

THE HAGÉ GROUP and the Champifri Group and Sunbird Rights Issue of 43,041,667 new ordinary shares of 10p each at 75p per share Subscription of 6,666,666 new ordinary shares of 10p each at 75p per share Share Capital issued fully paid 49,845,245.20 ordinary staires of 10p each tible proference shares of 20p each £6,813,792.70 £10.500.000.00 £7,468,547.50

The activities of the enlarged Group are the importing, marketing and distribution of a wide range of fruit and vegetables in the Netherlands and frozen vegetables in the United Kingdom and the manufacture and distribution of meat products, meat processing and shellfish processing and distribution in the United Kingdom. Particulars giving information with regard to the enlarged Group are contained in new issue cards circulated by Extel Financial Limited. Copies of the document which reproduces those particulars may be obtained, during normal business hours up to and including 23rd September, 1988, from:

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Perkins Foods plc

Acquisitions of

Lioyds Merchant Bank Limited 40-66 Queen Victoria Street, London, EC4P 4EL

Perkins Foods pic, Cornishway West, Galmington,

McCaughan Dyson Capel Cure 65 Holborn Viaduct, London, ECIA 2EU,

31st August, 1988

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

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Dollar stays in narrow range

m June.

July failed to have any effect. Nor did a 3.5 p.c. decline in factory orders. Both July fig-

ures were expected to show some retrenchment, after higher than expected increases

Y134.40 compared with Y133.70. Elsewhere it ended at SFrL5760

from SFr1.5685 and FFr6.3250 compared with FFr6.3075. On

Bank of England figures, the dollar's exchange rate index rose from 99.2 to 99.6.

Sterling recovered from the day's lows. It opened firmer, after persistent demand in overnight markets, but tended to slip away towards lunchtime. However, after the dollar showed little reaction to the release of US economic data, the lune of high interest rates

the lure of high interest rates

attracted investors back into

THE DOLLAR was confined to a narrow range in currency markets yesterday, as short term investors were deterred from opening fresh positions by the lack of any clear dollar trand.

On the one hand, a recent edging up in US interest rates, and the possibility of a further increase to contain inflationary pressures, have combined to provide the dollar with underlying support. However some dealers seem less than convinced. Central bank intervention has recently been successful in capping the dollar's advance, and comment's by Mr Karl Otto Poehl, president of the West German Bundeshank, have made class his commithave made clear his commit-ment to preventing a further

decline in the D-Mark. In addition, higher US interest rates and a possible rise in the dollar could damage the progress made in narrowing the US trade deficit.

 Against this background, many short term investors pre-fered to remain on the sidetines, and much of the activity was confined to large institutional investors, buying on the dips and selling at the top.

Trading volume was relatively subdued, as financial markets made adjustments after Monday's closure in London and Hong Kong. News of a 0.8 p.c. fall in US leading economic indicators in

£ IN NEW YORK

Aug.30	Latest	Previous Close		
£ Spot	1.6/20-1.6/20 0.53-0.52pm 1.46-1.44pm 4.34-4.25pm	1.6860-1.6870 0.41-0.60pm 1.25-1.23pm 3.63-3.56pm		
Forward premiums and discounts apply to the US deliar				
CTERI THE THOPS				

STERLING INDEX

8.90 art		Am.20	Previous
	9,00 10,00 11,00 Moon 1,00 2,00 3,00	75.7 75.7 75.6 75.7 75.9 75.9 75.9 75.8	75.8 75.8 75.5 75.6 75.6

CURRENCY RATES

A1930	ž.	Drawing Rights	Currency Unit.
Servitos U.S. Dollar Canalinas S. Assyriva S.A. Reigian Franc Doubbe Murk Meth. Galider French Franc Liganaser Yen Norway Krane Spanish Paneta, Swiss Franc Servitos Franc Greek Paneta, Swiss Franc Greek Paneta, Liganash Liganash	8.75 7.75 9.12 8.75 9.15 9.15 9.15 9.15 9.15 9.15 9.15 9.1	873 1.2446 1.40487 17.0040 50.5781 50.5781 5.27287 2.2	0.666723 1.10953 1.37594 14.5097 43.527 7.98418 2.07582 2.34377 7.96596 1541,098 7.64552 137,471 7.17644 1,75028 0.775516
"All SDR rates are fer Aug.29			

CURRENCY MOVEMENTS

Aug.50	Stank of England Index	Morgan ^{es} Guaranty Changes %
Sterling U.S. Dollar Consisting Bother Austrian Schilling Belgian Franc Danish Krone Deutsche Mack Swinn Franc Cattler Freuch Frank Lira Van	75.8 99.6 89.6 134.0 97.8 88.8 144.2 145.6 132.5 68.8 238.7	-16.8 -8.5 -44.3 -49.9 -40.9 -12.9 -13.4 -14.9 -21.0 -27.0
Morgan Genrasty 1982-198, Back of 1975-1907 Water are	Engined Index	erage 1900 (Base Anerag

ATUED CHIDDENCIES

U	DINER CORREMCTES			EXCHANGE CHOSS N							
	Amp. 30	£	\$								_
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Bq. Fle	traits	2.1000 - 2.1030 488.10 - 490 80 7.4985 - 7.5200 252.95 - 257.35	1,2415-1,2425 298,55-299,90 4,4255-4,4375 149,95-152,45	£) 0.591	1691	13%	227.3 134.4	10,69 6,322	24% 15%	
Hor	ng Kang	13.1985 - 13.2110 120.00° 1207 40 - 1217 30	7.8020-7.8040 70.60° 719.00-724.80	THE	0.317 4.399	0.536 7.440	13.88	72.04 1000.	3,388 47,03	0.845 11.72	
Kun Lun Bila	enhotery Inch	0,48750 - 0.48300 66.20 - 66.30 4.5110 - 4.5720	0.28535 - 0.28535 39.15 - 39.25 2.6680 - 2.6900	F Fr. S Fr.	0.995 0.375	1582 0.635	2.953 1.164	212.6 85.29	1D. 4.022	2.493 1	Γ
N. Z Sau	dia	6.3430 - 6.3485	2281.00 - 2292.00 1.6460 - 1.6505 3.7500 - 3.7510 2.0370 - 2.0390	H FT. Line	0.281 0.427	0.474 0.722	0.885 1.347	63.76 97.01	2.999 4.563	0.748 1.137	Ī
S. 1	d (Ca) U (Fa)	3.4486 - 3.4540 4.1250 - 4.1240 5.9375 - 6.0430 48.40 - 48.45	2.4300 - 2.4315 3.5090 - 3.5715 28.70 - 28.80	C S B Fr.	0.477 1.509	0.807 2.552	1.506 4.762	108.5 343.1	5103 1614	1.272 4.023	Γ
<u> </u>	(E,		3,6725 - 3,6735	Yas per 1,0	00: Freed	Fr. per l	lik Lira p	r 1,000:	Belgian F	r. per 100	

MONEY MARKETS

Slightly firmer tone

THERE WAS a slightly firmer tone to interest rates in London yesterday, but the money market was quiet, with dealers waiting for further guidance on the direction of bank base

Three-month sterling interbank rose to 124-124 p.c., from 12%-12% p.c. on Friday. The Bank of England initially forecast a money market shortage of £100m, but revised

UK piecing beak term healing rate 12 per cent from August 25 & 29

this to £150m at noon, and to £200m in the afternoon. Total help of £400m was provided. The anthorities did not oper-

The anthorities did not operate in the market before lunch. In the afternoon £210m bills were bought outright, by way of £3m local authority bills in bend 4 at 11½ p.c. and £207m benk bills in bend 4 at 11½ p.c. Late assistance of around £190m was also provided.

Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills drained £200m, with Exchequer transactions absorbing £310m. These outweighed a fall in the note circulation adding £380m to culation adding £380m to liquidity, and bank balances above target of £235m.

In Frankfurt conditions in the domestic money market remained comfortable, with banks offering funds into the market. Call money was unchanged at around 3.75 p.c., but as downward pressure eased on interest rates, there was no further sign of three-day Treasury bill sales by the West German Bundesbank. The central bank sold DML2bn of three-day bills to the market, to absorb surplus funds, on Monday. but as downward pressure

ket, to absorb surplus funds, on Monday.

Dealers are now waiting for the terms of today's securities repurchase agreement, to decide on whether the Bundesbank has changed its credit stance. This seems unlikely in the light of the D-Marks recovery against the dollar.

In Amsterdam the Dutch Central Bank set eight-day spe-

In Amsterdam the Dutch Central Bank set eight-day special advances at a rate of 5.1 p.c. to ease a shortage of credit in the money market. This replaced a seven-day pact at 5 p.c., and a four-day facility at 5.1 p.c., launched on last Thursday, when the central bank raised its official dealing rates.

In Paris the Bank of France amounced an offer of FFra.5bm of negotiable Treasury bills at the weekly tender on September 5. This will comprise FFr.5bm of 13-week bills; FFr.2.5bm of two-year hills; and FFr.2bm of five-year paper.

sterling. Its exchange rate index finished at 75.8, up from 75.7 at the opening, and 75.6 on

Friday.

Against the D-Mark, sterling rose to DM3.1550 from DM3.1400 on Friday, and Y227.25 compared with Y226.00. Elsewhere it finished at SFr2.6650 from SFr2.6500 and m June.

Nevertheless, the dollar finished on a firmer note, as the underlying bullish trend encouraged investors to cover short positions.

The dollar closed at DML-8665 from DML-8585 and V134 40 covered with Visa on FFr10.6900 against FFr10.6800. It was also higher against the dollar, recovering from a weaker start to finish at \$1.6905

from \$1.6900.

In Frankfurt, the Bundesbank sold a nominal \$7.6m at the fixing, when the dollar rose to DM1.8688 on Monday. There was no obvious

sign of any support outside the fixing.

The dollar was slightly easier in Paris, finishing at FFr6.3395 from FFr6.3075 on Friday. Once again, trading volume remained on the quiet side, with most investors con-tent to wait until after the release of US employment data on Friday.

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EM\$	UROPE	AN CURI	RENCY I	JNIT RA	TES .
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Japan	1313-1317	1344-1354	0.44-0.43yper 4.20-3.80gropes	379 345	1.29-1.24cm 10.75-9.75cm	376 311				

	13.13 - 13.17% 1.5730 - 1.5810	1.5755-1.57	65 0.70-0.6	Acom 5.11		4.76				
Till and belind are quoted in US corrency. Forward premiums and discounts apply to the US deliter and not to the individual corrency. Belgian rate in for concribine frames. Financial frame 39,00-39,90. EURO-CURRENCY INTEREST RATES										
	EURO-CI		Y INTI							
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Sterling US Dollar Can. Dollar Can. Dollar D. GuRder Sw. Franc Sw. Franc Fr. Franc Hallan Live S. Fr. (Fab B. Fr. (Cob.) Fr. Cob.) D. Krone Adam \$Sing		124-12 8-74 91-74 91-74 91-3 14-45 11-10 68-69 68-69 68-69 81-75 81-75 81-75	124-124 84-85 919-94 51-95 54-95 114-105 74-7-7 114-105 84-8-8-8-8-8-8-8-8-8-8-8-8-8-8-8-8-8-8-	124-124 84-85 164-85 164-85 164-81 164-81 174-74 74-74 74-74 84-84 84-84	124-124 983-104-105-51-51-51-51-51-51-51-51-51-51-51-51-51	124-122 94-9 11-194 58-518 48-44 58-58 12-11-1 54-5 94-9 94-94				

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Long term Emodellars: two years 94,-92, per cent; three years 94,-95, per cent; flow years 10-94, per cent; five years 94,-95, per cent; five years 94,-95, per cent; flow of the per cent; flow of th											
12 Th-1-4 M. Constituting part flad with the state of the											
			CHA	NGI	CR)85 I	RATE	3			
Ana 30	3		DM	Yes	F Ft.	S Ft.	B FL	Lira	C S	B Fr.	•
	1 501										•
. 2	A EAT		1 1 1 1	1444	(6 322	1 15%	12108	1396	7 230	i 30 12	

EXCHANGE CROSS RATES										
Asp.36	£	\$	DM	Yes	F Ft.	S Fr.	BFI.	Lira	CS	B Fr.
£	0.591	1691	3.155 1.866	227.3 194.4	10,69 6,322	2665 1576	3.565 2.108	2343 1386	2.095 1.239	66.25 39.18
DHI	0.317 4.399	0.536 7.440	13.88	72.04 1000.	3,588 47,83	0.845 11.72	1.130 15.68	742.6 10308	0.664 9.217	21.00 291.5
F Fr. S Fr.	0.995 0.375	1.582 0.635	2.953 1.184	2)2.6 85.29	3D. 4.021	2.493 1	3336 1338	2192 879.2	1.960 0.786	61.97 24.86
H FT. Line	0.281 0.427	0.474 0.722	0.686	63.76 97.01	2.999 4.563	0.748 1.137	1 1.522	657.2 3000.	0.588 0.894	18.58 28.28
C S B Fr.	0.477 1.509	0.807 2.552	1.506 4.762	108.5 343.1	5103 1614	1272 4023	1.782 5.381	1118 3537] 3162	31.62 100.

(11.00 a.m. Ang.30) 3 months US dollars	6 meeths US Dellars
FT LONDON INT	ERBANK FIXING

The flicting rates are the arithmetic occurs recorded to the powest one-states th, of the bid and offered rates for \$100 months by the market to five recording him is at 11.00 a.m. stack working day. The basis are Mariconal Westminste Basek, Basek for Tokya, Devastore Basek, Canque Mariconal de Paris and disregate Cananatry Trast.

		ME	7 PAT	E¢.					
MONEY RATES									
NEW YORK	NEW YORK Treasury Bills and Bonds								
(Lunchtime)		lee month Two month		7.24 Three 7.16 Four	year	8.86 8.94			
Prime rate	. 10 1	hree month		7.55 Fine 1	- ·	9.02			
Fed funds 82-1 One year 827 10-year 930						930			
FOLIMAN AL MANUALINA.		40 yez							
Ang.30	Coerolgist	Dae Morth	Two Moetls	Three Months	Sha Months	Lombard Intervention			
Frankfart	3,50-4.00	5,00-5,15	515525	525-5.40	555-5,70	5.00 6.75			
Park	76-76	73.73	73-8	8-81 ₂	84-84	1 2.5			
American	51.51	52-58	-	54-54	i -	i -			
Tokyo	3.90625	4,21875	-	4.09375	٠ -	١ ٠			
MH20	9%-10% 6.85	72.72		45.55	l <u>-</u> !	! :			
Dietalia	7.74	75.75	72-74	74.94	83-85				

LONDON MONEY RATES								
.30 .30	Overnight.	7 days notice	Ste Month	Three Months	Six Months	Year One		
nterbank Offer	124	121	121g 111g 12 113	114 175 176 176 176 176 176 176 176 176 176 176	121	떒		
oterbank Bid	70	114	11,12	125	124	124		
Sterling CDs			12	1 124	يزيد (1 4/2		
ocal Authority Deps	124	114	11.7	120	,12	냁		
ocal Anthority Bonds			11.	<u>++</u> *	11.4	1 77-4		
Ascount Mkt Deps	1212	114	1 113	璟	l	- با		
company Deposits	- 1	-	{ ! ₹ }	1456	验	124		
inance House Deposits .	1	-	12	124	124	144		
reasony Bills (Boy)	i - I	-	1 112	1114	i			
lank Bills (Bay)	- 1		[1]#	11.55	1 444			
ine Trade Bills (Buy)	- 1		1245	8.60-8.55	8.95-8.90			
otlar CDs	- 1		8.40-5.35	895-872		7.20.7.2		
DR Linked Dep Offer	i - 1	-	74	(<u>7</u> 5≥	77	48		
DR Linked Dep Bid	. ~ 	-	i Zok l	1 Z3s	44	} <u>/</u> #		
CU Listed Dep Offer	•	-	<u>7</u>	殤	! 発	24		
CU Lieted Den Bid	1		74	774	712	87		

FINANCIAL FUTURES

Sterling contracts ease

STERLING INTEREST rate futures were weaker on the Liffe market, with September short sterling finishing at the day's low of 87.82, after opening at a peak of 87.94. Friday's close was 87.87.

Trading volume is moving towards the December contract however, which ended only slightly weaker on the day, and around the middle of the day's

MERCH STATE OF THE PERCHASE O

Estimated volume total, Cafis O Pots O Previous day's aper int. Cafis 752 Pots 1767

\$50 0d Nor Dec 8,90 8,95 916 926 458 458 721 729 425 494 547 598 425 106 214 282 341 051 138 202 249 015 0.79 135 186 57 244 587 248 186 57 248

MRLABELMIA SE (/\$ OFTENS 612,500 (costs per (1))

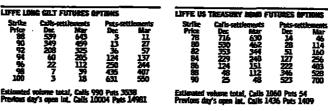
LONDON (LIFFE)

Sep Dec

LIFFE E/S OPTIONS £25,900 (costs per £1)

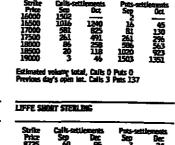
September gilts eased a little to 93-04 from 98-07, on reasonably good volume. Sterling's improvement against the D-Mark helped to limit losses, but sentiment remained depressed by the July UK trade figures, and fears of another large deficit in

August.
US Treasury bonds were



LIFFE EUROBOLLAR &PTRON Elm points et 180%

Nov 1.05 1.65 2.37 3.43 4.68 6.27 8.07



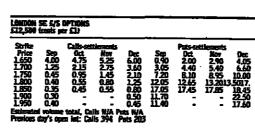
Latest High Law Pres. 0.5360 0.5369 0.5354 0.5354 0.5404 0.5413 0.5397 0.5498 0.5444 0.5447 0.5444 0.5442

Bank of Cyprus ... Bank of Ireland ... Bank of India

Central Capital Charterbouse Bank Citibank NA

LIFFE FT-SE SHOEK FUTURES OPTIONS

in the US.



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CHICAG	0				
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Sep Osc Mar Jus Sep Dec Mar Jus Sep Dec Mar	Uabed 85-22 85-03 84-17 83-31 83-15 83-00	High 86-01 86-15 84-27 84-08 85-21 83-03	85-20 85-01 84-17 83-15 83-00	Pres. 85-21 85-02 84-15 83-12 2-138 81-22 81-31 81-05 80-25	Sep Dec Mar Jan BEUTE BELL25 Sep Dec Mar
U.S. TREAST Sim peints o	RY MILLS (f 100%	OHIO)			
Sep Dec	Latest 92.65 97.24	Heb 92.68 92.27	Low 92.65 92.23	Pres. 92.65 92.23	THREE SLM P
Sep Det Mar Jen Sen	92.24 92.19 92-05	92.21 92.06	92 18 92.04	92.17 92.05 91.94	Sep Des

SWISS FRANC COMD SFr 125,800 \$ per SF

Hist 91.31 90.79 90.84 90.65 90.63 90.63 90.33

91.51 91.28 Close 91_30 90.75 90.78 90.75 90.71 90.80 90.84 90.78 90.73 90.62 90.66 90.62 90.57 Est. Vol. (Inc. figs. not shown) 4239 (601/4) Pravious day's open int. 41325 (42320)

US TREASURY BONDS 8% \$100,000 32m6 of 180% High Low Pres, 86-01 85-19 84-27 85-13 85-00 84-02 83-24 nated Volume 8900 (3870) lous day's open (ol., 7043 (8247)

CURRENCY FUTURES LIFFE-STERLING £25,000 \$ per £

POUND-S (FRIETEN EXCHANGE) 1-mth, 3-mth, 6-mth, 12-mth 16853 16762 16661 16488 DANG-STEPLING Start C

Latest High Low Pres. 1,6870 16916 1,6850 1,6764 1,6728 1,6764 1,6704 1,6622 1,6640 1,6700 1,6534

Application form from: Recruitment/Selection IVS Overseas 3 Belvoir St. LEICESTER LEI 6SL CLOSING DATE FOR APPLICATIONS: 16th Sept Please quote ref: FT|FIN|MS|08|88

AGENTS REQUIRED Earn +/- £725 per week

Company requires a number of persons to market a new service which will produce a high weekly income.

Agents will be required to set up their own office. To arrange interview contact Mr van de Schijff or Mr Sieckmeyer. Tel: The Netherlands 31-072 123059

BANK OF IRELAND **BASE RATE**

Bank of Ireland announces that with effect from close of business on 31 August 1988 its Base Rate is increased from 11.00 % to 12.00% p.a.



Area Office 36 Queen St London EC4R 1BN

EUROPEAN OPTIONS EXCHANGE 150 140 287 5 20 52 Vol Last Vol List firmer on Liffe, after an encouraging start to trading in encouraging start to trading in Chicago.

A fall of 0.8 p.c. in July US leading indicators, following a revised rise of 1.4 p.c. in June, was in line with expectations, and had little impact. Trading was subdued ahead of Friday's 44 70 48 100 150 124 42 7.70 9.50 12 15 US employment data, and next Monday's Labour Day holiday 10 21500 - 2391112846247150455786 - 757941674966417910 8.50 7.50 -3.60 -4 3 19 62 178 230 7 8.50 3.20 1.50 3.20 8 8.50 20 30 8.50 14 17 137 137 50 30 3.50 7.40 0.70 0.60 2 9.50 8.50 3.90 4.20 1.60 1.60 5.20 12 7.10 7.20 113 55 350 366 19 228

TOTAL VOLUME IN CONTRACTS: 24,216 B=Bid C=Call

BASE LENDING RATES

Norwich Gen. Trest ... Alfled Irish Bank...... Henry Ansbacker....... ANZ Banking Group PRIVATbanken Linshed . Provincial Bank PLC R. Raphael & Sons Dencan Lawrie ... Royal Trest Bank Smith & Willnesn Secs. ... Bassco de Bilhao Financial & Gen. Bank ... 12 Financial & Gen. Bank Pic. 11 L First National Bank Pic. 11 L Robert Fleming & Co. ... 12 Bank Happaline Bank Lenni (UK) Bank Credit & Comme Standard Chartered UDT Hortgage Exp 411.45 Robert Fraser & Pters. ... Girobaok United Bk of Kuwait Veited Mizrahi Bank ● Gairness Maboo Unity Trust Back Plc. Bank of Scotland
Bank as Bank
Berther Bank AG
Berther Bank AG Western Trust _____ Westpac Bank Corp. ____ HFC Bank plc ...

Hambres Bank Heritable & Ges law Bt .. Whiteaway Laidlaw Yorkshire Bank

TRANS-NATAL Coal Corporation Limited

General Mining Union

Corporation Limited

• Members of British Merchant Banking & Securities Houses Association, ° 7 day deposits 4.38% Samules 7.16%. Top Tier-£10,000+ instant access 9.0% & Mortgage base rate & Demand deposit 7%. Mortgage 10.875% - 11.25%

INTERNATIONAL APPOINTMENTS

rs' relevant experience in industry computers, project evaluation, fi ADMINISTRATOR/FINANCIAL OFFICER Swaziland
The School of Appropriate Farm Technology requires an administrator/linancial officer to raise for

should be qualified accountants or econor



torbanite project

("Gencor")

("Trans-Natal")

An agreement has been reached in principle between Gencor and Trans-Natal in terms of which the management of the project to produce synthetic fuel from torbanite, at present the subject of a easibility study by Trans-Natal (as referred to in the annual financial statements of Trans-Natal at 30 June 1987), will be transferred to

Gencor to take over management of

In terms of the agreement Gencor will fund the commitments to the end of the feasibility study (Phase 2), and will immediately refund to Trans-Natal one-half of its past expenditure (which totalled approximately R17 million to 30 June 1988) on the project. In the event that a decision is taken to proceed with the implemen-

tation of the project, Trans-Natal will be refunded the balance of its past expenditures and will acquire free of consideration a 2,5 percent stake in the equity of the project as well as the right to sub-scribe on the same terms as Gencor for a further 17,5 percent in the venture. The transaction will have no material effect on the net asset value and earnings per share of Trans-Natal and Gencor.

The agreement is subject to the approval of Members at the Annual General Meeting of Trans-Natal on 23 November 1988. Johannesburg 30 August 1988

CORPORATE MERCHANT BANK LIMITED

Merchant banker

COMPANY NOTICES

GENERAL MOTORS CORPORATION

NOTICE IS HEREBY GIVEN that resulting from the Corporation's Declaration of a Dividend of \$1.25 (gross) per share of the Common Stock of the Corporation, payable on the 10th September 1988 there will become due in respect of Bearer Depositary Receipts a gross distribution of 6.25 cents per unit.

The Depositary will give further notice of the Sterling Equivalent of the net distribution per unit payable on and after the 15th September 1988.

All claims must be accompanied by a completed Claim Form and USA Tax Declaration obtainable from the Depositary. Claimants other than UK banks and Members of The Stock Exchange must lodge their Bearer Depositary Receipts for marking. Postal claims cannot be accepted. The Corporation's Second Quarter Report for 1988 will be available upon application to the Depositary

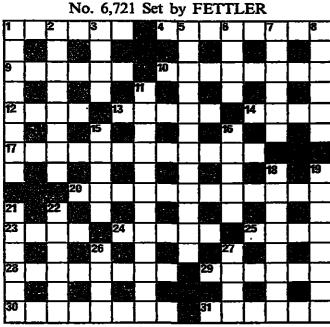
Barciays Bank PLC Stock Exchange Services Department 54 Lombard Street London EC3P 3AH

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED	Init Case. 94d Offer + or Yield Carps Price Price Price - 671 Anderson Orme Unit 7st Myrs L(d (1200)F
UNIT TRUSTS	Selections Wall, London, ELTR 7DQ 01-638,200 Ecoysh Tst 227-1214 0219-3-0-12:22 High Recent 1st 9 27-22 37.75 40.15-02765-38 Ind Recent 1st 9 37-37-60 41.47 445-7-1111:23 But lectorey Sec. 3 27-60 41.47 445-7-1111:23 But lectorey Sec. 3 28-30.24 32-52-0-111-28
Tail Case. Bid Offer + or Yield Chape Price Price Price - Grit	Anthony Wieler Jinit Tot Mont I to C 0001F
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American Income	Arkwright Management (1409)F
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Capital network Act. 0 74.72 79.75 - 5919.76 Condty & Energy 6 94.09 94.09 100.71 - 0.81.15 Energeta Capital 6 70.50 70.52 75.43 - 0 02.0 99 General	Pi's" to Hise Feachurch St. London EC3 01-220 7231 Growth Apr 12 5102 94 102 94 109 37 1.72 Income Aug 12 5100.66 102 94 109 31 5.40
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Abtrust Management Ltd (2000)H	86 Japan
American 54 80 66 40 66 43 25 40 792 10 Asstralian 54 24 97 24.97 25 17 40 67 128 European 54 34 66 41 66 44 16 128 -	BG Income Garth 9 201.6 205.5 261.1 -1.5.5.35 BG Europe
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Jacoma Tustis Americas Income 5/27.91 27.91x/29.72 -0.1 [4.34 High Income 3/262.7 284 7 327.1 -3.84 69 Equity Jacome 3/162.8 264.7 417.3 -2.44.45 High Yield 3/162.8 264.7 417.3 -2.44.45 Good Securities 3/24.83 29.83 31.57140(28.73	Bell Court Fund Wrugt PLC (1500)F 11 Biomfeld St, London EC2M 21.8 01-374 2823/4 Far Eastern 93 295 290.0 293.0 1.23 America 9194.5 195.5 205.0 1.74 UK & European 93 48.5 392.0 37.15 3.50
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I.G INDEX LTD, 9-11 GROSVENOR Tel: 01-828 7233/5699 Reuters (GARDENS, LONDON SW1W OBD
FT 30 FTSE Aug. 1406/1415 -24 Aug. 1750/ Dec. 1420/1429 -25 Dec. 2048/	100 WALL STREET 1760 -25 Sep. 2032/2044 -4 2060 -29 Dec. 2048/2060 -4
Prices taken at 5pm and change	is from previous close at 9pm
j	ì

JOTTER PAD

CROSSWORD



- ACROSS

 1 Harry Prince a well known nail-drawer (6)

 4 It must be ineffective when
- it makes nothing vibrate (8)
 9 Ride gee-gee, properly accounted (6)
 10 What appears to be a little
- blow still connects (8)

 12 See pudding sate . . . (4)

 13 double helping of which makes one pi (5)
- 14 Alban (re GB) composed (4)
 17 Check er if I replace one
 in the intermission (12)
- 20 Soldiers, unusually silent men to a tee, signing on again (12)
 23 And it's a capital ensemble
- 24 There's an examination (for clockmakers?) here in Ger-many (5) 25 The small valley's best
- approached from the east, Ned (4) 28 It takes an eastern charmer
- to enthuse about this pre-cious stone (8) 29 Native Aussie twits us Poms
- (6) 30 Monty? Odd maybe, but certainly not this (8)
 31 Mammon personified old-fashioned god (6)
- DOWN
 1 Horrible creep I've become
- aware of (8) 2 A shooter deviating to the
- left and right is worthless (8) 3 One of the ways snow lay

- 5 Bandit loosed offensive, being markedly sanguinous (12) 6 What's mature in a tripery?

- lid's off the money chest....(5)

 16and phinder's revealed too by default (5)

 18 The disappointment of little Sarah, following an unfinited dwarp (5)
- ished dream (8) 19 Banner headline (8)
- 22 One disrupting, harms a peaceful retreat (6) 26 Godson had his wings clip-
- OPTICS PARALYSE
 PISO B LE U
 POLICY GRUMBLER
 SCARCE PASSBOOK
 I B R BIOT W A
 TALLOW OF E
 E WARNING A G
 R E DAMPER
 A A S SEW U E A
 DISCOVER UNBRED
 J S R V T T T
 UNEARMED ALLUDE
 S N E R E R N
 TOTALLED STREET

- (4) 7 Flags but is about to get
- up! (6)
 8 Get into gear English period of course (6)
 11 Compact to permit, we hear, the addition of foreign trade
- (12) 15 Present obtained when the
- 21 Underground workplace is dusty! Swap it for the better
- EFM Unit Tst Mages Ltd (1400)H 4 Metrille Grecon, Edinburch 034 ped – what a surprise! (4) 27 Whist! Note and look! (4) Solution to Puzzle No.6,720



| February | February

m Port. 54:47.27 47.35 50 371-028-0.59
ag. Stevensye, Hertt SSL 2MN 0738 744950
mod 632.39 23.74 25.35 4.07 4.7
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Cressader Unit Tot Migs. Ltd (1000)M

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Ellis Revention ...\$42.75 42.75 45.73 46.851 1.00

Ellis Crevath ...\$57.31 57.71 61.21 1.214.80

Ellis Crevath ...\$55.58 65.38 70.961-0.012.90

UK Growth Acc ...\$45.38 46.33 46.485 1.052.90

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UK Growth Bott ...\$56.75 46.351 1.00

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ton Unit Tst Magt Ltd (1200)H xen, Phronth PLI 3AB 0752 673873 fmee _____970.47 71.93 76.60[____203

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Linguis Bk Unit 7st Mars Ltd (1600)F

Brountstein House, Chatham, Kent ME4 4JF

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| Commonstrative | Str. | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.5 | 143.

ulle Crs 545.00 46.06 49.00 (0.1)2.02 Bulley 546.41 47.51 50.56 (4.6)2.02

GUIDE TO UNIT TRUST PRICING

The data included under the Authorised section of the FT Unit Trust information pages is being expanded to improve the service to readers and to conform with new legislation. BUTIAL CHARGES.

These represent the marketing, administrative and other costs which have to be paid by new purchasers. These charges are locitated in the price when the castomer buys waits.

OFFER PRICE.

The price at which units may be bought.

The price at which units may be bought.

The price at which units may be sold.

CARCELLATIEN PRECE.

The maximum spread between the offer and bid prices is determined by a formula faid down by the government. In practice, said trust managers quote a much narrower spread. As a result, the bid price is often set well above the minimum permissible price which is called the cancellation price in the table. However the bid price anight be moved to the cancellation price in circumstances in which there is a large excess of sellers of units over bursts.

That time shown alongside the fund manager's name is the time at which the unit trusts' daily dealing prices are normally set unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: 9 - 0001 to 1100 hours; 3 - 1101 to 1400 hours; 4 - 1501 to 1700 hours; 4 - 1701 to midnight.

MISTORIC PRICEING

The letter H denotes that prices are set on a historic basis. This means that, amiess there has been an intervening portfullor resolutation, investors can normally buy and sell units today at the prices appearing in the newspaper which have been set on the basis of yesterday's asset value.

FORWARD PRICING

The letter F denotes that prices are set on a forward basis so that investors can be given no definite price in advance of the purchase or sale being carried out yesterday.

Other explanatory notes are contained in the last cohung of the FT Unit Trust information pages.

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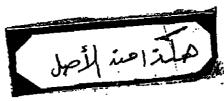
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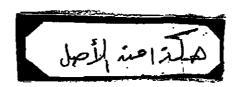
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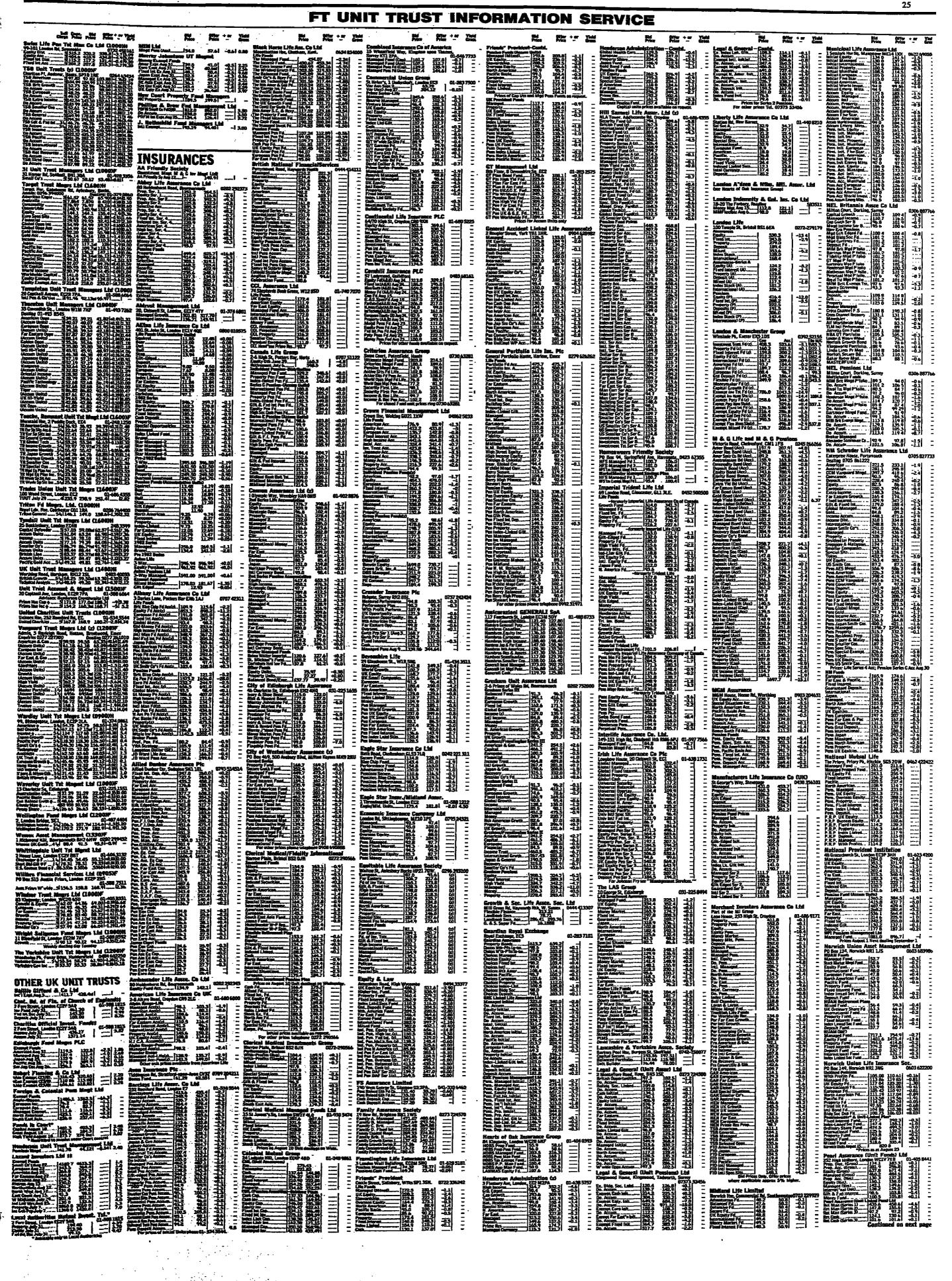
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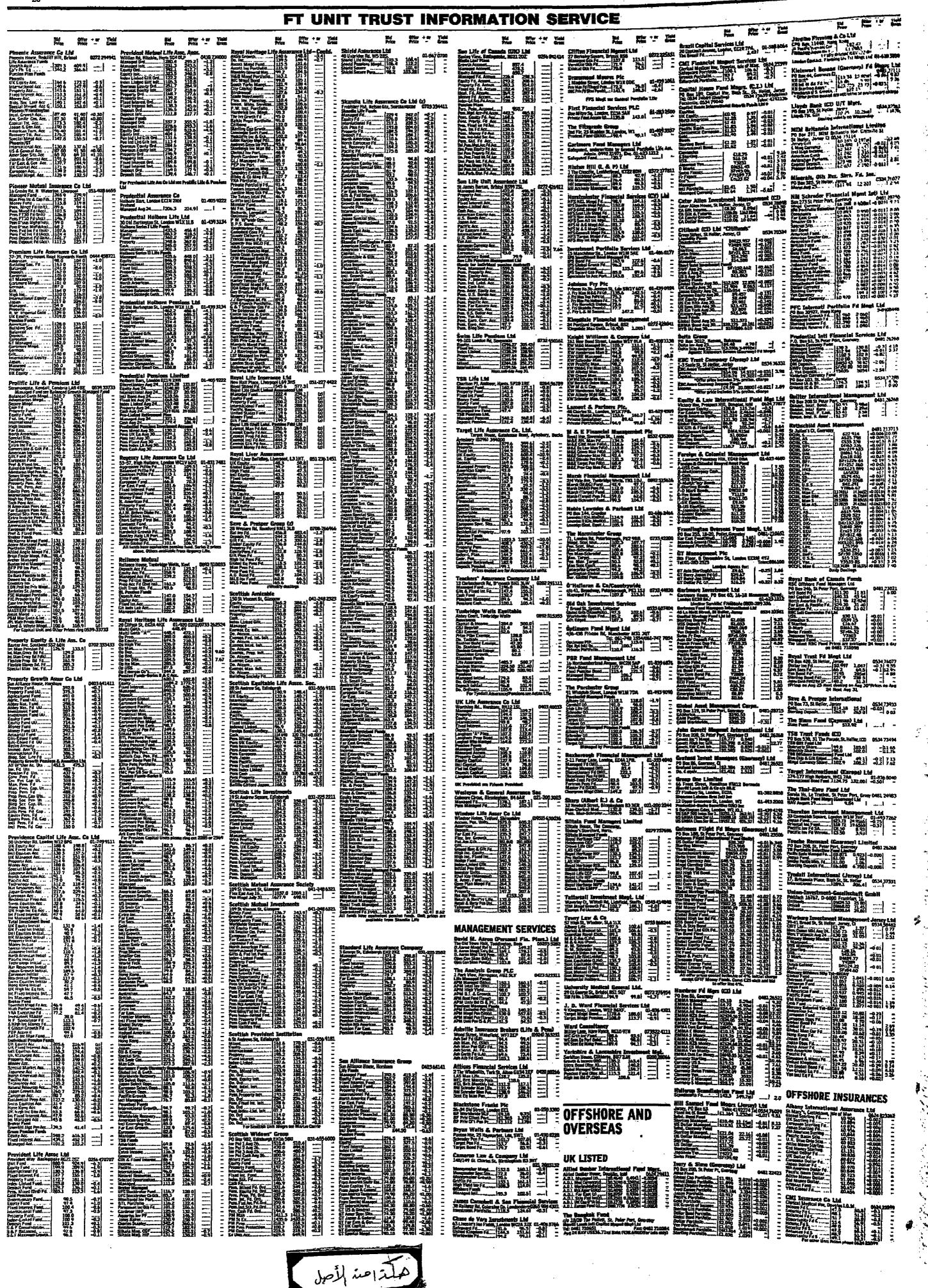
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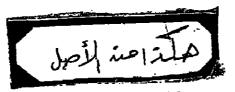
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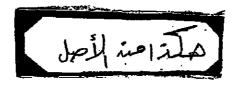


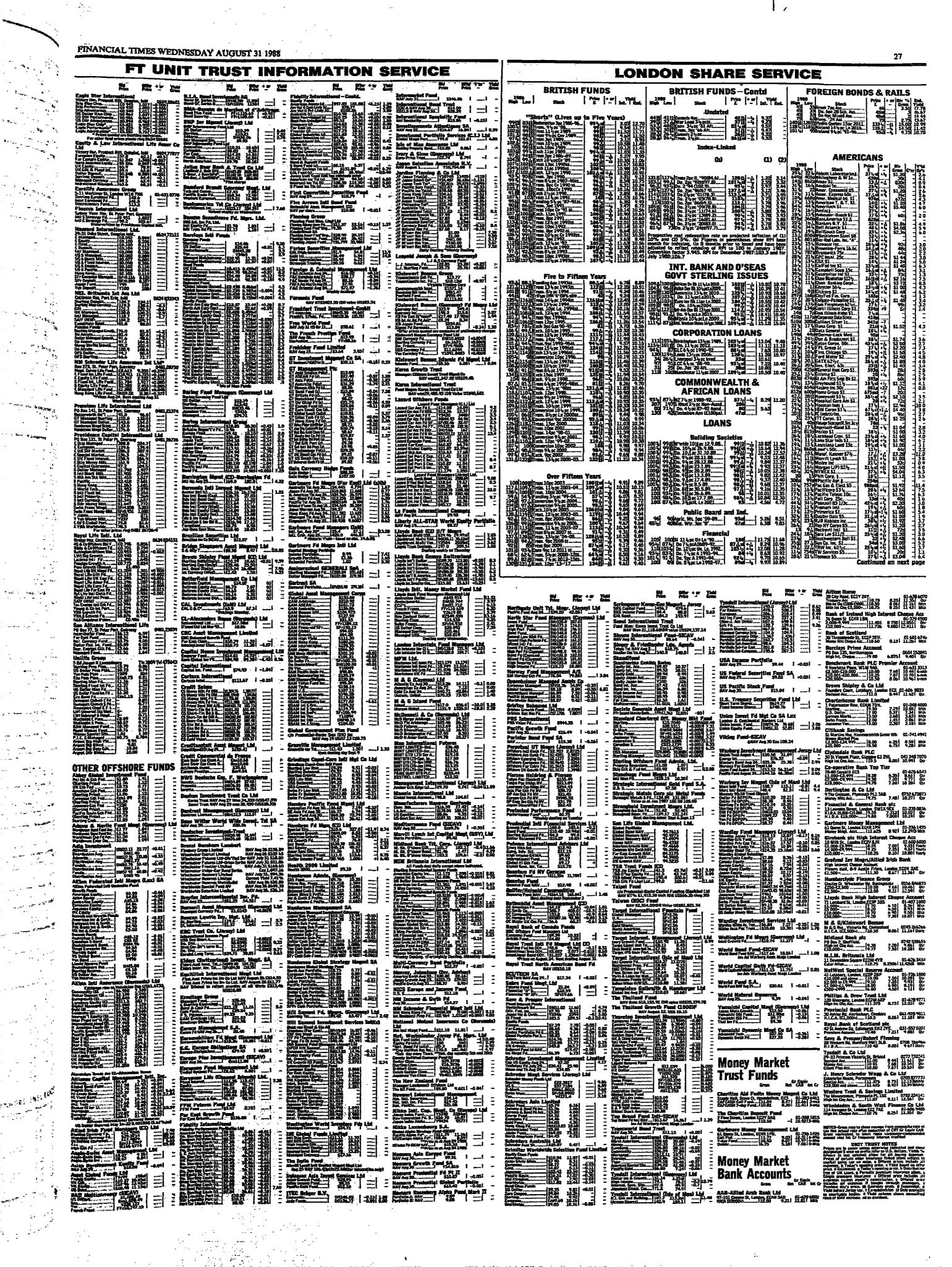




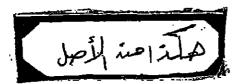


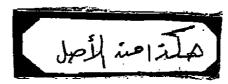






26	LONDON SHARE SERVICE	INDUSTRIALS (Miscel.) - Contd INDUSTRIALS (Miscel.) - Contd.
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133 - 2	206 153 Fleming Fledgeling, V 263 -2 26 1.0 1.7 73 559 mining strong 159 mining strong 150 0.0 1 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0	ximum" distribution; this compares gross dividend costs in it after taxation, excluding exceptional profits/losses but ding estimated extent of offsettable ACT. Vields are based on its prices, are gross, adjusted to ACT of 25 per cent and allow raise of declared distribution and rights. "Tap Stock" Highs and lones marked thus have been adjusted to allow for rights bases for each interim since increased or resumed interim since reduced, passed or deferred Tax-free to non-residents on application Tigures or report awaited Not officially UK listed; dealings permitted under rule \$355(4)20 USM; not listed on Stock Erchange and company not subjected to same degree of regulation as listed securities. Dealt in under Rule \$35(3). Price at time of suspension indicated dividend are required to reorganisation in progress Not comparable Same interim; reduced final and/or reduced earnings indicated for reorganisation in progress Not comparable same interim; reduced final and/or reduced earnings indicated for reorganisation in progress Not comparable some final and/or reduced earnings indicated for reorganisation in progress Not comparable some final and/or reduced earnings indicated for reorganisation in progress Not comparable some final and/or reduced earnings indicated for resulting only for restricted dividend. One and the second of
ADVERTISING 75 SoleATA Scientins 50 y 54 -1 1.8 2.3 4.0 14.3 275 20.0 16.0 (Strahop Prop. 9 255 -14 1.0 1.6 0.6 -	23 10 23 22 25 25 25 25 25 25	al sources. In Kenya in Interfin higher than previous total. In is issue pending it Earnings based on preliminary figures. It indicated end: cover relates to previous dividend, PJE ratio based on L annual earnings. If Forecast, or estimated annualised end rate, cover based on previous year's earnings, I Subject cal tax. x Dividend cover in excess of 100 times, y Dividend isleid based on merger terms. x Dividend and yield include a gi payment: Cover does not apply to special payment. A Net end and yield. B Preference dividend passed or deferred. C dian. E Minimum tender price. F Dividend and yield based ospectus or other official estimates for 1988-89. & Assumed and yield after pending scrip and/or rights losue. B end and yield based on prospectus or other official estimates for 1988-89. K Dividend and yield based on prospectus or other official estimates and PJE based on latest annual earnings. M Dividend and based on prospectus or other official estimates for 1988 in end and yield based on prospectus or other official estimates and PJE based on latest annual earnings. M Dividend and based on prospectus or other official estimates and PJE based on prospectus or other official estimates and pied based on prospectus or other official estimates and pied based on prospectus or other official estimates and pied based on prospectus or other official estimates and pied based on prospectus or other official estimates. T est assumed. W Pro forma figures. 2 Dividend total to date, viations: all extinctions. EGIONAL & IRISH STOCKS ollowing is a selection of Regional and Irish stocks, the latter being quoted la irish currency.
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100 128011ets Paper 200 v 153 - 2	17 18 18 18 18 18 18 18	rids. 34

LONDON TRADED OPTIONS

CAPITAL GOODS (210)	EQUITY GROUPS		Tuesda	ay Aug	ust 30	1988		Fri Aug 26	The Aug 25	Wed Aug 24	Year ago (approx)
2 Building Materials (29) 952.54 -2.2 12.01 4.47 10.22 21.41 973.98 95.53 128.27 1202.4 3 Contracting, Construction (37) 1504.62 -2.0 11.1.44 3.58 11.70 27.99 125.79 125.73 1218.33 175.54 [Electronics (31) 1.666.03 -1.0 10.42 3.63 12.32 40.30 1678.44 1689.57 11.445.5 2019.5 16 Mechanical Engineering (57) 399.68 -2.1 19.31 4.37 12.64 9.30 1678.44 1689.57 11.445.5 2019.5 16 Mechanical Engineering (57) 399.68 -2.1 19.31 4.37 12.64 9.30 1678.44 1689.57 11.445.5 2019.5 10.45 11.45	Figures in parentheses show number of		Change	Ezmings Yield%	Div. Yleki% (Act at	P/E Ratio	1988				index No.
2 Building Materials (29) 952-54 -2.2 12.01 4,47 10.22 21.41 973.93 975.23 1828.17 1829.4 Electricals (12) 2078.37 -1.2 9.05 4.85 13.60 49.45 2875.40 2107.80 2105.10 2445.1 Electricals (31) 1660.83 -1.0 10.42 3.63 12.32 40.30 1878.4 1828.57 1745.5 2019.0 Mechanical Engineering (577) 3979.68 -2.1 18-31 4.37 12.84 9.23 40.30 1878.4 1828.57 1749.5 2019.0 Methals and Metal Forming (7) 452.92 -2.7 10.41 4.19 11.88 7.75 465.2 474.0 488.7 552.3 10.00 10 ther Industrial Materials (23) 1244.51 -1.4 9.55 4.61 12.66 62 28.49 126.48 122.82 425.41 519.2 Dither Industrial Materials (23) 1244.51 -1.4 9.55 4.61 12.66 62 28.49 126.48 122.82 121.65 120.5 Electronic Company (1.65) 1366.5 -1.4 9.55 3.81 11.54 62.84 183.01 1973.46 111.72 1156.5 Electronic Company (1.65) 1377.4 Ele	1 CAPITAL G000S (210)	757.54	-1.8	10.69	4.23	11.60	17.16	771.61			953.86
3 Contracting, Construction (37) 1564.82 -2.0 11.14 3.58 11.79 27.59 1353.77 272.79 1372.37 1372.37 1244.55 217.80 2163.10 244.75 216.10 216.00 216.30 244.75 216.10 216.00 216.30 244.75 216.80 216.30 244.75 216.80 216.30 244.75 216.80 216.30 244.75 216.80 216.30 244.75 216.80 216.30 244.75 216.80 216.30 244.75 216.80 216.3	2 Building Materials (29)			12.01		10.22	21.41				1202.41
5 Electronics (31) 1660.83	3 Contracting Construction (37)	11504.82	-2.0	11.14	3.58						
5 Electronics (31) 1660.83	4 Electricals (12)	2076.37									
8 Metais and Metai Forming (77) 452.92 -2.7 10.41 4.19 11.88 7.95 465.52 474.91 488.37 558.9 9 Motors (1.4) 263.89 -2.5 12.33 4.99 9.36 6.62 278.74 274.8 281.49 385.1 10 Other Industrial Materials (23) 1244.51 -1.8 9.85 4.41 12.62 28.49 1266.88 1282.98 1311.65 1623.5 12.00NSUMER GROUP (1.85) 1805.645 -1.4 9.33 3.81 13.25 19.26 1851.67 1862.06 1811.65 1394.8 122.98 1311.65 1623.5 Food Manufacturing (21) 1935.77 -1.1 9.27 3.96 13.80 17.95 96.22 958.31 967.53 1910.7 26 Food Retailing (1.6) 1907.42 -1.0 9.07 3.49 14.54 38.40 1873.67 1952.77 2415.1 277 Health and Household (1.2) 1777.65 -0.4 7.91 2.76 16.55 18.01 1774.22 1787.49 1815.37 325.7 29 Leisure (30) 1291.12 -1.9 9.58 3.95 13.39 28.32 1316.48 1324.9 1362.99 1366.7 31 Packaging & Paper (1.7) 488.03 -2.4 18.07 4.18 12.73 9.85 881.5 512.86 525.11 6932.2 Publishing & Printing (1.8) 3311.19 -2.3 8.63 4.61 14.55 773.53 3317.42 3444.5 3514.07 4574.3 34.50 ces (3.4) 7.52 3.9 -2.2 11.63 4.60 11.72 15.80 789.66 786.31 864.79 -0.8 11.52 4.56 18.61 19.72 871.85 852.16 656.06 581.10 805.5 781.4 Agencies (1.9) 1.055.55 -0.7 8.59 12.55 562.10 566.06 581.10 805.5 781.4 Agencies (1.9) 1.055.55 -0.7 8.59 12.55 18.01 1902.7 1903.7 1	5i Electronics (31)	11660.83									
Motors (1-4)	6 Mechanical Engineering (57)	399.68									
10 Other Industrial Materials (23)	8 Metals and Metal Forming (7)	452.92	-2.7								385.17
22 CONSUMER EROUP (185) 1186.45 -1.4 9.53 3.83 13.25 19.26 1951.67 1062.96 1811.85 1994.82 1995.87 11.54 1825.81 1973.46 117.21 156.55 155.57 11.54 1825.81 1973.46 117.21 156.55 155.57 12.55 17.55 1962.96 1821.85 1994.82 1993.33 17.25 1975.72 12.55 1975.72 12.55 17.55 1962.96 1821.85 1994.82 1993.33 17.25 1975.72 12.55 12.55	7) MOLOIS (14)	1244 57									
22 Brewers and Distillers (21)	10 Other moust lat materials (22)	1036.45									
25 Food Manufacturing (21)	22 Browers and Distillers (21)	1069.21				11.54	20.84	1083.01	1893.46	1117.21	1156.66
26. Food Retailing (1.6)	25 Food Manufacturing (23)	J 935.77	-1.2	9.27	3.96						1910.70
29 Lelsure (30) 1291.12 -1.9 9.58 3.95 13.97 23.92 136.48 136.29 136.21 136.29 136.21 136.29 136.21 136.29 136.21 136.29 136.21 136.29 136.21	26 Food Retailing (16)	1907.42									
42 Chemicals (21)	27 Health and Household (12)	1777.65	-0.4								
42 Chemicals (21)	29 Leisure (30)	1291.12	-1.9								
42 Chemicals (21)	31) Packaging & Paper (17)	488.03	-2.4								
42 Chemicals (21)	32 Publishing & Printing (10/	752 38	223								1066.74
42 Chemicals (21)	35 Textiles (16)	545.99	-2.9						566.06	581.10	808.54
42 Chemicals (21)	40 OTHER GROUPS (93)	864.97	-0.8		4.56						
45 Shipping and Transport (12)			-0.7								
45 Shipping and Transport (122)	42 Chemicals (21)	1019.25									
48 Miscellaneous (26)	43 Conglomerates (13)	1050 42									
49 INDUSTRIAL GROUP (488) 928.92 -1.4 10.39 4.14 11.97 17.41 941.86 751.61 770.86 1181.8 51 Oil & Gas (12) 1707.33 -0.6 11.07 6.33 11.60 64.62 1717.99 1722.90 1772.58 2270.4 59 500 SHARE INDEX (500) 995.03 -1.3 10.48 4.44 11.92 23.26 1007.78 1016.31 1039.01 1274.2 61 FINANCIAL GROUP (122) 665.93 -0.7 - 5.24 - 18.46 670.52 674.62 693.33 815.7 62 Banks (8) 63.21 - 22.43 6.84 5.98 25.83 637.91 642.07 659.36 817.6 65 Insurance (Life) (8) 1003.75 -0.7 - 5.01 - 24.97 1810.77 1014.17 1042.36 1089.4 66 Insurance (Composite) (7) 521.70 -0.9 - 5.92 - 15.67 526.38 525.70 540.16 615.56 1180.00 60.00	43 Shipping and Transport (12)	920.72									1083,69
49 INDUSTRIAL GROUP (488) 928.92 -1.4 10.39 4.14 11.97 17.41 941.86 751.61 770.86 1181.8 51 Oil & Gas (12) 1707.33 -0.6 11.07 6.33 11.60 64.62 1717.99 1722.90 1772.58 2270.4 59 500 SHARE INDEX (500) 995.03 -1.3 10.48 4.44 11.92 23.26 1007.78 1016.31 1039.01 1274.2 61 FINANCIAL GROUP (122) 665.93 -0.7 - 5.24 - 18.46 670.52 674.62 693.33 815.7 62 Banks (8) 63.21 - 22.43 6.84 5.98 25.83 637.91 642.07 659.36 817.6 65 Insurance (Life) (8) 1003.75 -0.7 - 5.01 - 24.97 1810.77 1014.17 1042.36 1089.4 66 Insurance (Composite) (7) 521.70 -0.9 - 5.92 - 15.67 526.38 525.70 540.16 615.56 1180.00 60.00	48 Miscellaneous (26)	1196.46		12.45	4.32	9.99	24.64	1292.34	1281.48	1214.56	2638.17
Signature Sign	49 INDUSTRIAL GROUP (488)	928.92	-1.4	10.39	4.14	11.97	19.41	941.80	958.61	970.86	1181.80
59 S90 SHARE INDEX (500) 995.03 -1.3 10.48 4.44 11.92 23.28 1007.78 1016.31 1039.01 1274.2 61 FINANCIAL GROUP (122) 665.93 -0.7 - 5.24 - 18.46 670.52 674.62 693.33 815.7 62 Banks (8) 630.00 638.21 22.43 6.84 5.98 25.83 637.91 642.07 659.36 817.4 65 Insurance (Life) (8) 1003.75 -0.7 - 5.01 - 24.97 1010.77 1014.17 1042.36 1089.46 66 Insurance (Composite) (77 521.76 -0.9 - 5.92 - 15.67 526.38 525.70 540.26 615.5 67 Insurance (Brokers) (7) 935.14 -1.8 10.30 6.81 12.55 31.74 951.90 956.94 985.63 1250.5 68 Merchant Banks (11) 335.28 -1.7 - 4.27 - 7.08 341.09 344.76 353.47 494.8 69 Property (51) 11140.42 -1.1 5.57 2.84 23.01 15.18 1152.59 1165.79 1280.48 1255.4 70 Other Financial (30) 360.76 -0.9 10.86 5.40 11.57 9.54 363.96 365.80 375.28 553.3 71 Investment Trusts (78) 886.27 -0.9 - 3.18 - 13.49 894.65 900.18 916.44 1135.8 81 Mining Finance (2) 518.03 -0.8 9.25 3.63 12.23 81.2 521.99 522.73 534.62 651.2 91 Overseas Traders (8) 1134.69 -1.0 18.14 4.92 11.58 35.31 1145.86 1146.78 1176.23 1182.3 99 ALL-SHARE INDEX (710) 911.07 -1.2 - 21.56 921.68 928.91 950.34 1155.3 1165.81 1165.81 1166.87 1280.48 1285.49 1166.79 1280.48 1156.3 1165.81 1165.81 1166.87 1280.48 1285.49 1166.79 1280.48 1156.81 1166.87 1280.48 1156.81 1166.87 1280.48 1280			-8.6	11.07	6.33	21.60	64.62	1717.99	1722.90	1772.58	2270.46
61 FINANCIAL GROUP (122) 665.93 -0.7 - 5.24 - 18.46 670.52 674.62 693.33 815.7 62 Banks (8) 630 638.21 - 22.43 6.84 5.98 25.83 637.91 642.07 659.35 817.6 65 Insurance (Life) (8) 1003.75 -0.7 - 5.81 - 24.97 1014.17 1014.17 1014.26 1089.4 66 Insurance (Grokers) (7) 935.14 -1.8 10.30 6.81 12.55 31.74 951.90 956.94 985.63 1259.5 67 Insurance (Brokers) (7) 935.14 -1.8 10.30 6.81 12.55 31.74 951.90 956.94 985.63 1259.5 68 Merchant Banks (11) 335.28 -1.7 - 4.27 - 7.08 341.09 344.76 353.47 494.8 69 Property (51) 11140.2 -1.1 5.57 2.84 23.81 15.18 1152.59 1165.79 1280.48 1255.4 70 Other Financial (30) 360.76 -0.9 10.86 5.48 11.57 9.54 363.96 365.88 375.28 553.3 71 Investment Trusts (78) 886.27 -0.9 - 3.18 - 13.49 894.65 900.18 916.44 1135.8 81 Mining Finance (2) 518.03 -0.8 9.25 3.63 12.23 81.2 521.99 522.73 534.62 651.2 91 Overseas Traders (8) 1143.69 -1.0 18.14 4.92 11.58 35.31 1145.86 1146.78 1176.23 1182.3 99 ALL-SHARE INDEX (710) 911.07 -1.2 - 4.52 - 21.56 921.68 928.91 950.34 1156.3 1165.8			-1.3	10.48	4.44	11,92	23.20	1007.78	1016.31	1039.01	1274.21
62 Banks (8)	61 FINANCIAL GROUP (122)	665.93	-0.7	_	5.24	_	18.46	670.52	674.62	693.33	815.74
65 Insurance (Life) 63. 1103.75 -0.7 - 5.01 - 24.97 L810.77 L014.17 L014.26 L094.66 Insurance (Composite) (77. 521.78 -0.9 - 5.92 - 15.67 S26.38 S25.70 S40.16 615.56 [Insurance (Groters) (77). 935.14 -1.8 10.30 6.81 12.55 31.74 951.90 956.94 985.63 1250.56 [Merchant Banks (11). 335.28 -1.7 - 4.27 - 7.08 341.09 344.76 333.47 494.8 69 Property (51). 1140.42 -1.1 5.57 2.84 23.81 15.18 1152.59 1165.79 1280.48 1255.47 (0 Other Financial (30). 360.76 -0.9 10.86 5.48 11.57 9.54 363.96 375.28 533.37 [Investment Trusts (78). 886.27 -0.9 - 3.18 - 13.49 894.65 901.8 915.44 1135.8 [Investment Trusts (78). 886.27 -0.9 - 3.18 - 13.49 894.65 901.8 916.44 1135.8 [Investment Trusts (78). 1134.69 -1.0 10.14 4.92 11.58 35.31 1145.86 1148.78 1176.23 1182.3 91 [Overseas Traders (8). 1134.69 -1.0 10.14 4.92 11.58 35.31 1145.86 1148.78 1176.23 1182.3 91 [Investment Trusts (78). 911.07 -1.2 - 4.52 - 21.56 921.88 928.91 956.34 1162.3 91 [Investment Trusts (78). 911.07 -1.2 - 4.52 - 21.56 921.88 928.91 956.34 1162.3 91 [Investment Trusts (78). 911.07 -1.2 - 4.52 - 21.56 921.88 928.91 956.34 1162.3 91 [Investment Trusts (78). 911.07 -1.2 - 4.52 - 21.56 921.88 928.91 956.34 1162.3 91 [Investment Trusts (78). 911.07 -1.2 - 4.52 - 21.56 921.88 928.91 956.34 1162.3 91 [Investment Trusts (78). 911.07 -1.2 - 4.52 - 21.56 921.88 928.91 956.34 1162.3 91 [Investment Trusts (78). 911.07 -1.2 - 4.52 - 21.56 921.88 928.91 956.34 1162.3 91 [Investment Trusts (78). 911.07 -1.2 - 4.52 - 21.56 921.88 928.91 956.34 1162.3 91 [Investment Trusts (78). 911.07 -1.2 - 4.52 - 21.56 921.88 928.91 956.34 1162.3 91 [Investment Trusts (78). 911.07 -1.2 - 4.52 - 21.56 921.88 928.91 956.34 1162.3 91 [Investment Trusts (78). 911.07 -1.2 - 4.52 - 21.56 921.88 928.91 956.34 1162.3 91 [Investment Trusts (78). 911.07 -1.2 - 4.52 - 21.56 921.88 928.91 956.34 1162.3 91 [Investment Trusts (78). 911.07 91 [Investment Trusts (78). 912.91	62 Banks (8)	638.21		22.43		5.98					817.68
67 Insurance (Brokers) (7)	65 (nsurance (Life) (8)	11003.75		! -							
68 Merchant Banks (11)	66 Insurance (Composite) (7)	521.78		70 20		-					
69 Property (51) 1140.42 -1.1 5.57 2.84 23.01 15.18 1152.59 1165.79 1280.48 1255.47 70 Other Financial (30) 368.76 -0.9 10.86 5.48 11.57 9.54 363.96 365.88 375.20 553.3 71 Investment Trusts (78) 886.27 -0.9 - 3.18 - 13.49 894.65 900.18 916.44 1135.8 81 Mining Finance (2) 518.03 -0.8 9.25 3.63 12.23 8.12 521.99 522.73 534.62 651.2 91 Overseas Traders (8) 1134.69 -1.0 18.14 4.92 11.58 35.31 1145.86 1148.78 1176.23 1182.3 99 ALL-SHARE INDEX (710) 911.07 -1.2 - 4.52 - 21.56 921.68 928.91 958.34 1156.3 1165.3 No. Change High Low 26 25 24 23 22 age	6/ HISURANCE (ISTOKERS) (7)	735.14		10.30		16.33					494.B7
70 Other Financial (30)	60 Merchant Banks (11)	1140 62		5 57		23.61					1255.42
71 Investment Trusts (78) 886.27 -0.9 - 3.18 - 13.49 894.65 900.18 916.44 1135.8 81 Mining Finance (2) 518.03 -0.8 9.25 3.63 12.23 8.12 521.99 522.73 534.62 651.2 91 Overseas Traders (8) 1134.69 -1.0 10.14 4.92 11.58 35.31 1145.66 1148.78 1176.23 1182.3 99 ALL-SHARE INDEX (710) 911.07 -1.2 - 4.52 - 21.56 921.68 928.91 958.34 1156.3 Index Day's Day's Day's Aug Aug Aug Aug Aug Fost No. Change High Low 26 25 24 23 22 age	70 Other Financial (30)	360.76		,							553.31
81 Mining Finance (2)	71 Investment Trusts (78)	886.27		_	3.18		13,49	894.65		916.44	1135.81
91 Overseas Traders (8)	81 Mining Figance (2)	518.03	-0.8		3.63						651.28
99 ALL-SHARE INDEX (710) 911.07 -1.2 - 4.52 - 21.56 921.68 928.91 958.34 1156.3 ladex Day's Day's Day's Aug Aug Aug Aug Year Ro. Change High Low 26 25 24 23 22 ago	91 Overseas Traders (8)	1134.69		18.14	4.92	11.58		_			
No. Change High Low 26 25 24 23 22 age	99 ALL-SHARE INDEX (710)	911.07	-1.2		4.52		21.56	921.68	928.91	958.34	1156.31
ET.SE 100 SHAPE INDEX 4	FT-SE 100 SHARE INDEX 4				1745.2						

	FD	(ED I	NTE	REST	「 <u> </u>			AVERAGE GROSS REDEMPTION YIELDS	Tue Aug 30	Fri Aug 26	Year ago (approx.)
	PRICE INDICES	Tue Aug 30	Day's change	hange Aug		xd adj. 1988 to date	1 2 2		9.69	19.04 9.65 9.32	9.62 9.90 9.70
3 4	5-15 years Over 15 years Irredeemables	118.86 133.63 144.87	30 % 26 18.86 -0.02 118. 33.63 -0.24 133. 44.87 -0.16 145. 63.34 -0.25 163.		-	7.89 9.34 8.78 8.49 8.82	5 6 7 8 9	Medium 5 years. Coupons 15 years. High 5 years. Coupons 15 years. Coupons 15 years. It years. It years. It years.	10.47 9.92 9.61 10.61	20.44 9.89 9.58 10.58 10.82 9.59 9.95	10.44 10.14 9.92 10.50 10.33 9.95
 6 7	Index-Linked 5 years Over 5 years		-0.08 -0.07	131.77 126.46 120.40 120.72	<u>-</u>	 	냺	Index-Linked Inflation rate 5% 5yrs. Inflation rate 5% 0ver 5 yrs. Inflation rate 10% 5yrs. Inflation rate 10% 0ver 5 yrs.	3.88 2.21	3.24 3.88 2.16 3.71	3.35 3.98 3.25 3.97
_	Behesiones & Leans		-	116.93 90.67		7. <u>11</u> 3.61	16 17	Debs & 5 years	17.12	11.04 11.02 11.00 9.98	11.41

Opening index 1766.1; 10 am 1758.2; 11 am 1753.0; Noon 1746.8; 1 pm 1751.2; 2 pm 1753.3; 3 pm 1751.8; 3.3	0 pm 175)5; 4 pm
1749.9	
Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new	list of constituents

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	Rises	Falls	Şam
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Totals	333	1.607	3.066

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	FIXED INTEREST STOCKS													
Issue Price £	Amount Paid UD	Latest Resunc Date	19 High	E8	Stock	Clasing Price £	,							
100p 101.09 103p 101.2 5100.9 100p	F.P. P.P. F.P. F.P. F.P. F.P. F.P. F.P.	9/9 - 29/9	969 1159 1025 1069 101½ 99½9 100 2009 86½ 1049 959	1136 101a 949 991, 981,9 987, 987, 993,	Alexan Group 6.25p Cs. Rt. Pf. 10s. #88onted Lankaries 80 Cs Rt Pf. 10s. #88onted Canidaries 80 Cs Rt Pf. 10p. Berett Chemicals in, 9pc Cm Rt. Pf. Darie Estates 7.75pc Cm Cm Rt. Pf. Lon & Edon 15t R4 1 st Dm Rt Pf. 2013. **Micharity & Stone 8.75pc Rt. Pf. 2003. **Write Ang. 11, pp. 7.85p. Do. 11, pp. 28.85p. Do. 11, pp. 28.85p. Piesserana 7.75pc Cm Cm Rt. Pf. Rtf Capital Piess 21 pp. Ch Uns. is 2000. Tramer's 84-pp. Cs. Rt. Pf. 2003. **York Trest Grp. Rt. Cm. Cr. Pf. 20p. **Vork Trest Grp. Rt. Cm. Cr. Pf. 20p.	930 1139 1019 945 994 9819 9819 9819 9819 9819 2000 79 480 959	****							

Issue Price	Amount, Paid	Latesi Renanc	19	88	Stock	Closing -	+	
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Last Declarations	Nov 24
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DOME PETROLEUM LIMITED

Notice is hereby given to the holders (the "Holders") of the U.S.\$75,000,000 Floating Rate Notes due 1988, the U.S.\$50,000,000 Floating Rate Notes due 1989, the U.S.\$3,130,000 161/2% Fixed Rate Notes due 1989, the U.S.\$50,000,000 10% Debentures Due 1994 and the U.S.\$50,000,000 131/2% Debentures Due 1992 (collectively, the "Notes and Debentures") of Dome Petroleum Limited (the "Company") that the plan of arrangement under the Canada Business Corporations Act (the "Plan of Arrangement") to combine the business and operations of the Company and Arracco Canada Petroleum Company Ltd. ("Arracco Canada") received the final approval of the Court of Queen's Bench of Alberts, Canada on 14th July, 1988. At the present time it is expected that the Plan of Arrangement will become effective on 1st September, 1988 (the "Effective Date"); however, no assurance is given that the Plan of Arrangement will become effective on such date. A subsequent notice will be published in this newspaper as soon as practicable following the Effective Date to confirm that the Plan of Arrangement has

Holders of the Notes and Debentures will be entitled to payments by Amoco Canada under the Plan of Arrangement on the day following the Effective Date and thereafter upon surrender of the Notes and Debentures and certain of the Coupons relating thereto to the respective Paying Agents for the Notes and Debentures. Holders are referred to the information Circular dated 29th April, 1988 for turther information concerning the Plan of Arrangement.

This Notice has been issued by Dome Petroleum Limited which is solely responsible for its contents. The Notice has been approved, in accordance with the rules of The Securities Association, by Morgan Stanley International, a member of The Securities Association.



Ente Nazionale per l'Energia Elettrica U.S.\$300,000,000

Floating Rate Notes Due 2005

The Republic of Italy

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest has been fixed at 8.62625% for the Interest Determination Period 31st August, 1988 to 30th September, 1988. Interest accrued for this Determination Period and payable 30th November, 1988 will amount to U.S.\$71.89 per U.S.\$10,000 Note and U.S.\$1,797.14 per U.S.\$250,000 Note.

Agent Bank: Morgan Guaranty Trust Company of New York London



The Kingdom of Denmark

U.S. \$200,000,000 Floating Rate Notes due August 1999 Notice is hereby given that the interest payable on the Interest Payment Date, August 31, 1988, for the period February 29, 1988 to August 31, 1988 against Coupon No. 8 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$397.51.

August 31, 1988, London
By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANC

Wells Fargo & Company U.S. \$150,000,000

Floating Rate Subordinated Notes due 1992

In accordance with the provisions of the Notes, notice is hereby given that for the Interest period 31st August, 1988 to 30th September, 1988 the Notes will carry an Interest Rate of 8-475% per annum. Interest payable on the relevant interest payment date
30th September, 1988 will amount
to US\$70-62 per US\$10,000
Note.

Agent Bank: Morgan Guaranty Trust Company of New York London

due 2000

Wells Fargo & Company U.S. \$200,000,000

Floating Rate Subordinated Notes

In accordance with the provisions of the Notes, notice is hereby given that for the Interest period 31st August, 1988 to 30th September, 1988 the Notes will carry an Interest Rate of 8½% per annum. Interest payable on the relevant interest payment date
30th September, 1988 will amount
to US\$70-83 per US\$10,000 Note
and US\$354.15 per US\$50,000
Note.

Agent Bank: Morgan Guaranty Trust Company of New York London

First Interstate Bancorp (Incorporated in Delaware)

U.S. \$60,000,000

Floating Rate Yen-Linked Notes due 1996

For the six months 26th August, 1988 to 27th February, 1989 the Notes will carry an interest rate of 9.20% per annum with an interest amount of U.S. \$472.78 per U.S. \$10,000 Note, payable on 27th February, 1989.

Bankers Trust Company, London

Agent Bank

Republic of Venezuela U.S. \$100,000,000

Floating Rate Notes Due 1993

n accordance with the terms and conditions of the Notes, notice is hereby given, that the interest rate for the Interest Period from 26th August 1988 to 27th February 1989 is 10%% p.a. The Coupon Amount psyable on the 27th February 1989 for notes of U.S. \$10,000 and U.S. \$100,000 is U.S. \$558.85 and U.S. \$5,588.54 respectively.

Bankers arus. Company, London Bankers Trust

Agent Bank

BANCO DI ROMA US\$150,800,000

Floating Rate Depository Receipts due 1992

Notice is hereby given that the Rate of Interest relating to the above issue has been fixed at 8.475 per cent for the period 31st August 1988 to 30th September 1988. Interest payable on 30th September 1988 will amount to US\$70.62 per US\$10,000 Deposit and US\$1,765.62 per US\$250,000 Deposit.

Agent Bank: Morgan Guaranty Trest Company of New York London

FIRST BANK SYSTEM, INC.

Motes Due 2010

Notice is hereby given that for the interest period from 31st August 1988 to 30th November 1988 the Notes will carry an interest Rate of 8½ per cent per annum and that the interest payable on the relevant Interest Payment Date, 30th November 1988 will amount to USSZ2-52 per US\$10,000 Note and US\$5,648.00 per US\$250,000 Note.

Agent Bank: Morgan Gearanty Trast Company of New York Loodon

SPONSORED SECURITIES

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23B	185	Ass. Brit. Ind. Ordinary	238	9	8.7	3.7	8.9	
238	186	Ass. Brit. Ind. CULS	238	0	10.0	42		
40	25	Armitage and Rhodes	35	0	-	-	-	
57	37	BBB Design group (USM)	37	-1	21	5.5	5.9	
169	155	Bardon Group -,	169	0	3.3	2.0	23.9	
115	100	Bardon Group Conv. Pref	115	0	6.7	5.8	-	
148	133	Bray Technologies	133	-1	5.2	3.9	10.6	
114	100	Brembili Conv. Pref	310	0	11.0	20.0	-	
287	246	CCL Group Ordinary	2B4	-1	12.3	4.3	4.3	
161	124	CCL Group 11% Cony. Pref	16120	•	14.7	9.1		
151	129	Carbo Pit (SE)	150	0	6.I	41	9.2	
112	300	Carbo 7.5% Pref (SD	1124	D	10.3	9.2		
308	147	George Blair	305	0	12.0	3.9	6.7	
97	60	Isis Group	97	0				
118		Jackson Group (SE)	112:0	0	3.4	3.0	12.4	
350	245	Multilinuse NV (AmstSE)	340	0		-	-	
. 111	40	Robert Jenkins)11ml	٥	7.5	6.8	2.4	
430	124	Screttons	415	0	8.0	1.9	37.7	
233	194	Torday & Carliste	233sus	0	7.7	3.3	7.7	
96		Trevian Holdings (USM)	75ml	-1	2.7	3.7	8.1	
113		Unistrut Europe Coor Pref	108	0	9.0	7.4		•
295		W.S Yestes	291	-2	16.2	5.6	7.9	

Securities designated (SE) and (USM) are death to subject to the roles and regulations of The Stock Exchange. Other securities listed above are death in subject to the roles of TSA

These Securities are dealt in strictly on a matched baryain basis. Neither Granville & Co our Granville Davies Ltd are market makers in these securities

Granville & Co. Ltd. \$ Lovat Lame, London EC3R SEP Telephone 01-621 1212 Member of TSA



Granville Davies Limited 8 Levat Lane, London BC3R 88P Telephone 01-621 1212 Member of the Stock Exchange & TSA

J.P. Morgan & Co. Incorporated

DM 400,000,000

Floating Rate Subordinated Notes of 1985/1995 - Stock Index No. 476 966 -

In accordance with § 2 (9) of the Terms and Conditions of the Notes, notice is hereby given that the Rate of Interest has been fixed at 5%% p.a. for the Interest Period August 31, 1988 to November 30, 1988 (91 days). Interest accrued for this Interest Period and payable on November 30, 1988 will amount to DM 142.19 per DM 10,000 Note and DM 3,554.69 per DM 250,000 Note.

August 1988

Interest Determination Bank;

J.P. Morgan GmbH

CITICORPO

U.S. \$500,000,000

Subordinated Floating Rate Notes

Due October 25, 2005

Notice is hereby given that the Rate of interest has been fixed at 8.475% and that the interest payable on the relevant Interest Payment Date September 30, 1988 against Coupon No. 35 in respect of US\$10,000 nominal of the Notes will be US\$70.63.

August 31, 1988, London
By: Critbank, N.A. (CSSI Dept.), Agent Bank

CITIBANCO

U.S. \$1,000,000,000



The Kingdom of Denmark

Floating Rate Notes Due 1996

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 31st August, 1988 to 28th February, 1989 the Rate of Interest on the Notes will be 8.84375% per annum. The interest payable on the relevant Interest Payment Date, 28th February, 1989 will be U.S. \$444.64 per U.S. \$10,000 Note and U.S. \$11,116.10 per U.S. \$250,000 Note.

Agent Bank:

Morgan Guaranty Trust Company of New York London



Floating Rate Participation Certificates Due 1992 issued by Morgan Guaranty GmbH for the purpose of making a loan to

Istituto per lo Sviluppo Economico dell'Italia Meridionale (a statutory body of the Republic of Italy incorporated under Law No. 298 of April 11, 1953)

In accordance with the terms and conditions of the Certificates, the rate of interest for the Interest Determination Period 31st August 1988 to 30th September, 1988 has been fixed at 91/8%. Interest accrued for the above period and payable on 31st January, 1989 will amount to US\$76.04 per US\$10,000 Certificate.

Agent Morgan Guaranty Trust Company of New York London Branch

PIONEER ELECTRONIC CORPORATION

Notice is hereby given to holders of CDR's issued by Carribbean Depositary Co., N.V., Guraçan, evidencing starres in the above company that the "Third quarter report 1988" of Pioneer Electronic Corporation may be obtained from: Pierson, Heldring & Pierson N.V. Herengracht 214 1016 BS Amsterdam

The Bank of Tokyo Lad. established in Tokyo, Bruselles, London, Düsseldori, Paris and New York. erdem, August 25, 1968.

Pierson, Heldring & Pierson N.V.

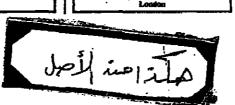
In accordance with the provisions of the Notes, notice is hereby given that for the period from August 31, 1988 to February 28, 1989, the Notes will carry an interest Rate of 51/6% per annum. The Interest payment date. February 28, 1989, will be U.S. \$227.82 per \$5,000 Bearer Note/\$5,000 principal amount in Registered form. By: The Cheen Manhalton Back, N.A.

Landon, Agent Bapt August 31, 1988

U.S.\$100,000,000

Eldorado Nuclear Limited

Floating Rate Notes due 1989



LONDON STOCK EXCHANGE

Further losses for nervous equities

ANOTHER SENSITIVE trading session in the UK securities markets saw both bonds and equities give further ground yesterday, although traders were relieved to report that selling pressures remained relatively moderate. Domestic investment intrictions sold investment institutions sold some shares in the consumer and construction sectors, which are directly vulnerable to last week's sudden increase in UK base rates.

Government bonds, however, eithers South Sou

although finally easier on the day, were sustained by a steadier pound and by support for UK Gilts in Japanese markets while London was closed for the Park West States. for the Bank Holiday weekend.

Jaguar slump continues

A BAD weekend press made for another slump in shares of Jaguar which staggered back to 286p before ending the day 11 lower at 241p. Analysis were in full agreement over the near-term plight of the world-renowned luxury car maker, but held different opinions over its effect when translated

Some investment houses stick with Friday's lowered forecasts for the full year of 240m, but the range overall varies considerably. Citicorp Scrimgeour Vickers is rather more hopeful, suggesting £48m with the rider: "The wage negotiations in November are critical and a better buying opportunity may emerge then". Bid hopes may flourish on the run-up to December 1990 when the UK Government's Golden Share expires. BZW, on the other hand, is pessimistic with an estimate of only £35m.

The crunch, however, is still to come, Jaguar has already warned that next year will be a difficult one and several analysts have seized on the point to slash profit projections to as low as £20m. Kleinwort Grieve-son and County NatWest MoodMac both opt for that figure, with the latter adding: "Currency and the difficult US market are going to take a grim toll of profits, but we believe that Jaguar will emerge leaner and more com-

Fresh Williams bid

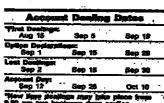
Smallbone, the manufacturer of luxury kitchen and bedroom furniture, replied pos-itively when the fast expanderate Williams Holdings appeared on the scene with a recommended offer of 500p cash per share. The shares jumped 69 to 487p. Williams is also offering 182p cash for the convertible preference of the preference of the convertible pr ence shares, valuing the over-all bid at 534.4m.

At the same time, Williams

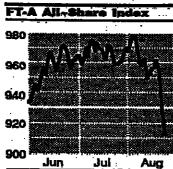
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unfolded interim profits of £52.3m (compared with £18.1m last time) which were much in line with market expectations. The acquisition of Smallbone. which trades at the quality end of the market, appeared to be well received, but the Williams share price failed to resist the general downturn and closed 10% down at 272%p after volume of some 1,5m shares,

Yale and Valor, where Williams Holdings and Ingersoli Rand both hold small stakes, tumbled to 398p before closing 25 off at 400p as the Smallbone deal dashed recent hopes of a bid from Williams.



But there was no disguising the nervous mood of the stock market, which spent the day anxiously watching sterling's progress. "Any slide in the pound immediately opens up the prospect of another base rate increase", commented Mr Nigel Richardson of Warburg Securities.



NatWest resist

Standing out well against the backdrop of a gloomy mar-ket, National Westminster edged higher as the market assessed the implications of the latest upward twist in UK lending rates. At 528p, the shares closed 3 higher on moderate turnover of 668,000

The shares have underperformed against the sector in recent weeks and investors responded to comments from some UK securities houses that bank shares will benefit from the higher interest rate envi-

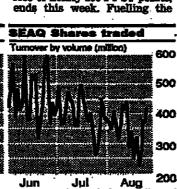
County NatWest WoodMac believes that the rise from 7% per cent to 12 per cent in base rates since early June will put between £300m and £350m pretax on half year profits of the Big Four clearing banks — with more to come in the full

The Oil majors did well to resist trade journal reports of declining crude prices, adverse comment on the North Sea producers and claims of Opec pro-duction exceeding permitted levels, although the latter was said to have been denied by Opec president, Mr Rilwanu

Considerable investment, described as a flight to safety for yield and other grounds, was made in British Petroleum issues. Volume exceeded 5m in each class of share and there was finally little change on the day in either the "old", at 238 kp, or the partiy-paid at 139 kp. Shell Transport also escaped unhurt, but British Gas, after holding up well for most of the session, eased late to 173%p for a net 2% loss. The more spicy issues, including many independents,

Equities opened with only minor fails, but a spate of selling in late morning sent the FT-SE Index down by 25 points to 1745 a level which raised degrees simple in the market danger signals in the market Share prices bonneed at this level, however, and traded cau-tiously for the rest of the day. At the close, the FT-SE Index was a net 15.9 points down at

1754.8. Much of the fall represented operations by marketmakers, who sharply lowered their risk by reducing their holdings of shares which now attract higher funding costs. The three week Account, which shows a loss of nearly 100 FT-ST points,



suffered a hard initial markdown. Calor was a good example and dropped 16 to 352p, with stock said to be swirling around. Enterprise gave up 8 at 437p and Triton Europe 5 to

162p, while LASMO lost 6 to A growing understanding of the benefits resulting from a successful acquisition of US Farmers group aroused solid investment support for BAT Industries. Domestic institutional operators were the more persisent buyers, but US investors showed their hands late

International stocks were affected by the market's general lack of buying support. ICI did well to gain 3 to 995p ahead of a Barclays de Zoete Wedd's presentation on Thursday.

and the shares moved against the trend of the wider market to close at 440p, up 3 on bal-

Glaxo also struggled better, ending a penny higher at 941p after 935p. Analysts at Robert Fleming Securities today publish a buy recommendation on Glavo for the first time in over a year. At the same time, they move their stance on the health and household sector from neutral to over-weight. This follows recent under-performance, which in Glazo's case is described as profound. The pharmaceutical companies are now particularly attractive; given their almost total independence from the economic cycle," say the ana-

Pearson fell 17 to 697p as hid speculation faded. Reed International lost 11 to 401p, while Hanson eased 2 to 134%p as 3.4m shares traded.

Bank shares provided one of the steadier sectors of the market, although trade was little better than elsewhere. Lloyds

NEW HIGHS AND LOWS FOR 1988

MEN HIGHS (9).

RETHYLERS (1) Irish Distillers, BIRLDIMES

(1) Sharpe & Fisher, CHENEGARS (1) Hoeshet

AG, FTORES (1) Smallbore, FOODS (1)

Barr (A.G.), Highystriklas (2) Pauma-Repola,
Westrosz, CRS (1) Costan

Cpa., FLANTATIONS (1) Acasem Docers,

NEW LOWS (1).

BETTISH FURS (28) COMMOSTWEALTHS

& AFRICAN LOANS (1) N.Z.7 App 28-42,

LOANS (8) FORESEN SONDS (1) Irisland

Sapt 9-98. CANADANS (1) Bonors Gold,

BABILS (4) Brown Shiptey, FAIFC 5 Spc Nasi

Prof., Hambrox, Robwerls, RREWERS (1)

Bass, SUB_DIMES (1) TORES (22)

ELECTREGALS (16) ENGINEERING (3)

Birmingham Mint, Carolo 5p, Caution 5p,

Jones & Shipman, TACE 10p, POODS (4)

Agyd, Beigm 10p, Mathews (8), Tesco

Spoln 0.207, NEULETRIALS (28) Astra AB,

Beazer 10p, Cautievery Ing. 10p, Caven de

Gri. 10p, Docean Park 10p, Eastern Prod.5(p),

Johnston Press 10b, Masquell Comms., Neutr. Spec. Div., Utd. Newspapers, PAPSIS
(7) Boase Massami 12-2p, Holmes Marche
10b, Moorgete prp., Sanchi 10b, Son Cowells, Smith (David S.) 20b, WCR3 Sp, PROPERTY (8) TRUSTS (10) OS.S (7) Avisa Pat, Bris,Borneo 10p, LLF UR. 12-4 LH., Grant Mestern See,Class A, Kat Energy 10b, Do.Spc Cv.PL, North West Expin., 1889 (8) THEOD MARKET (8) Andamen Res., Far East Res., Moray Firth, Sweeyard Studios, UPL, 10bp.

nervousness was the continued reduction in price spreads and bargain sizes by several major trading firms.

Against this background, major blue chips fared reasonmajor office chips tared reasonably well, despite a somewhat mixed opening on Wall Street. ICI, Glaxo and BAT Industries all rallied during the day to close firmer, while falls in such international leaders as Shell and British Petroleum were

This left the pressure to fall once again on the second tier equities, particularly those vulnerable to pressures on con-sumer spending from higher interest rates. In addition, there was a shakeout among

(292p) and Barclays (395p) closed in line with Friday's final quotations and had both shown minor gains earlier in the session. Midland, at 395p, lagged behind the rest of the clearing banks.

While the banks have been hurt recently as domestic money market rates advanced faster than base rates, the clearers are now expected to benefit from the application of higher lending rates to their consumer and mortgage loan portfolios. Such loans are mostly on floating rate agree-ments and will help to shield the banks against inflationary pressures. Barclays shares, still under the shadow of the rights issue, are seen as a possible cheap buying opportu-

Also steadier were some hire purchase issues, notably First National Finance. However, the expected benefits of more profitable lending were bal-anced against fears of increased bad debts as interest rates move higher.

With takeover moves now looking increasingly expensive, several speculative features several speculative leatures among the life assurance groups wilted. Abbey Life ended 6% down at 301%, and Legal & General 5 off at 303p.

Refuge, despite a buy recommendation from a major secu-rities house, ended 9 lower at 417p as investors took a cautious view of both new life business and takeover pros-

Brewery stocks resumed trading in distinctly lacklustre form. Allied Lyons ran into sustained pressure, reflecting the fact that marketmakers have adequate supplies of stock. Uncertainty over Mr Alan Bond's intentions was also blamed for a markdown to \$85%p at one stage, before a rally took the shares to their close at 388p, a fall of 7½p on the day. Scottish & Newcastle see-

sawed, the shares retreating on lack of interest by 81/4 to 330p before buyers emerged and the price hardened to the close at 333%p. Turnover was 2.3m Sharp and Fisher provided

one of the day's rare bright spots, jumping 87 to 305p in a thin market on pleasing interim results and the planned disposal of its DIY arm, Sandfords. Proceeds of the sale except for approximately £8m of inter-company debt will be returned to share-holders. Other building shares passed yet another drab trading session. Lack of support was cited as the main reason for further widespread losses thoughout the sector including Bine Circle, down 11 more at 417p. Among the Housebuilders Berkeley stood out with a fall of 14 at 283p, while Barratt Developments ended 6 cheaper

at 169p. Fears that a further hike in interest rates may be needed to

will now be more expensive to

spending made for another retailers. Once again Sears were one of the more actively traded stocks (6.9m) as recent speculators unwound their reacted to close 5 down at 135%p. A. Goldberg, however, rose 5 to 219p on news that Charterhall had increased its stake to just over 25% per cent.

Amstrad remained in the spotlight among leading elec-tronics issues, falling 4 to 203p in turnover of 3.7m shares. Worries about the impact of interest rate increases on con-sumer spending were again behind the fall, with investors putting little emphasis at the moment on product launches due in mid-September.

Cable & Wireless saw some brisk early trade, including an agency cross of 700,000 shares at 365p. In turnover of 2.5m, the shares ended just a penny worse at 366p, after 362p. BT announced its involvement in the MoD office contract and its shares were described as steady at 231p after volume of

Leisure stocks had a hard

by investors looking to raise horizon. Dealers also pointed to worries about the effects of higher interest rates on its

With the pound firmer in early London trading, Gilts opened with gains of about ¼, although there was no appearance in London of the Japa-nese buyers of Gilts reported in Tokyo. Prices faded later when the pound faltered briefly, and the sector turned off in thin

The long end of the bond market ended with losses of %, slightly above the day's lows, while the shorts were % down. Index-linked stocks, showing little inclination to respond to inflation fears, followed the rest of the market

poor session in the High Street positions and the shares

day on the familiar grounds that reduced consumer spending will translate into reduced profits for leisure companies. Even last week's favourite Ladbroke never really recovered from an early knock and ended 14 down at 486p in turnover of

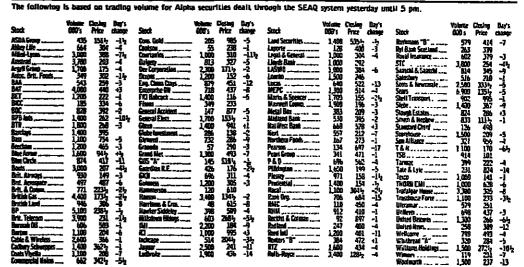
However, the real damage was done to second-line stocks cash. Brent Walker crashed 23 to 347p amid rumours that an announcement may be on the

FINANCIAL TIMES STOCK INDICES High Low 85.72 86.83 87.34 87.60 91.43 127.4 97.03 97.33 96.86 1514.7 187.8 734.7 43.5 (18/8) (15/2/83) (26/10/71) Ord. Dl. Yield Earning Yid %(full) P/E Ratic(Net)(\$\phi\$) SEAQ Bargains(5pm) Equity Turnover(£m)† Equity Bargainst Shares Traded (mf)† 4.78 12.05 10.10 24,327 1154.80 O S.E. ACTIVITY Aug 26 Aug 25

●Opening ●10 a.m. ●11 a.m. ●12 p.m. ●1 p.m. 1420.9 1411.9 1408.9 1403.8 1408.6 DAY'S HIGH 1420.9 DAY'S LOW 1403.8 Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, ☆ Nil 9.92 ↑ Excluding Intra-market

102.6 150.2 2333.7 141.2 Equity Bargains Equity Value

TRADING VOLUME IN MAJOR STOCKS



profits. Landleisure gave up a similar amount in its fall to 335p, while Pleasurama ended down 7 at 214p as the Mecca bid waters remained muddled. Owners Abroad fell 5 to 67p. The Jaguar gloom pervaded

all Motor sections and Lucas Industries, despite a Morgan Grenfell buy recommendation on the basis of a major re-rat-ing, retreated 13 to 522p. Dis-tributors were similarly hit with Western Motor falling 18 to 560p, Quicks losing 8 to 134p and Jessups 8 to 195p. Lex Service, another to receive favourable mention, came back 8 to

Fears that the trend towards dearer money will continue made for another unsettled trading session in the Property sector. Some leaders began to show late resistance, however,

and Land Securities ended only a shade lower at 535%p, after 528p, and MEPC 4 down at 514p, after 507p. Rosehaugh closed with a loss of 31 at 649p, and Arlington dipped 11 to

Slough Estates, in contrast, nudged higher to 286p as Mor-gan Grenfell took a bullish stance on the group's big industrial property portfolio. The securities house suggests that there may well be reason for medium-term caution over retail and City rents, but with little prospect of demand being satisfied in the industrial market the outlook for 1989 is still

Revenue will be boosted by developments at Winnersh, Aldersgate EC1, and possibly a revaluation of Bredero's Bon Accord centre in Aberdeen.

According to Morgan, Slough shares, at 285p, are on a prospective discount of 29 per

Courtaulds were among the many Textiles casualties, falling 11% to 310p. Illingworth Morris, however, resisted as bid speculation revived to end

harder at 157p.
In the Traded Options market, the FT-SE 100 Index contract remained active, with 2,038 calls and 3,590 puts traded. Other significant spots included Trusthouse Forte, with 1,492 calls and 243 puts, Sears, 1,218 calls, 181 puts, and laguar, 477 calls and 905 puts.

 Other market statistics. including FT-Actuaries Share Index and London Traded Options, Page 30



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July 6, 1988

Appointments

Wiltshier chairman Collins and Mr T.J. Beyer, who are both directors of Brierley The JOHN E. WILTSHIER

GROUP has appointed Mr Michael Davies as non-executive chairman. He takes over from Mr John Witishier, who remains with the group as a consultant and shareholder. Mr Davies is a non-executive director of a number of companies including British Airways. Littlewoods, Tube Investments, Broadwell Land and Blue Arrow, and is chairman of Bredero Properties.



www.W.M. Loewenthal and Mr P.J. Pedlay, both Brierley Investments nominees on the board of TOZER KEMSLEY & MILBOURN, have resigned and been replaced by Mr P.D.

Kerry Handling and the RKF Group have formed a new joint company, KERRY HANDLING SYSTEMS. The board will be: Mr Colin Scourfield, managing director; Mr Ian Gould,

director, Mr John Sliman, executive director, Mr David Dearing, technical director, Mr John Wilkinson, marketing director, and Mr Richard Penney, financial director. CORPORATE PC. Reading, has appointed Mr Phil Watts as sales director. He joins from Rapid Recall where he was

general manager of the systems division. Mr Neil Curtis joins DAIWA INTERNATIONAL CAPITAL MANAGEMENT (UK) on September 7 as director of client services. He was a

director of Fidelity Pensions Mr David Vanstone will be joining ELDERS FINANCE GROUP on September 5 as director of corporate finance for UK/Europe, He joins from Chase Investment Bank where

he was managing director in charge of special finance. ■ NELSON HURST & MARSH (HOLDINGS) has appointed Mr Robert W. Bailey and Mr James Moore to the board of

Valin Pollen forms new company ■ The investor relations division of VALIN POLLEN in London will become a

separate company and will be re-named Carter Valin Pollen (CVP) on October 1. CVP London will become an independent subsidiary of The VPI Group, with Mr Howard Lee, formerly an assistant managing director of Valin Pollen, as its managing director. Mr Angus Mattland will become chairman of CVP London while retaining his post as denuty chairman of post as deputy chairman of The VP1 Group, CVP New York was formed earlier this year as a division of The Carter Organization. The CVP companies in London and New York will be working a number

NHM North American Holdings. Mr Bailey is president of Nelson Hurst & Bailey; Inc., a New York based reinsurance intermediary. Mr Moore is president of Nelson Hurst, Carpenter & Moore Insurance Services, Inc., surplus line brokers in San Francisco.

of joint investor relations

essienments.

Towards the end of next month Mr Adrian Aylward becomes managing director of ROYAL SOVEREGN



Mr H.M. Romoff (above) has been appointed vice president, Europe, of CANADIAN PACIFIC. He will be based in London where he will continue as chairman and chief execu-tive officer of Canadian Pacific Ships,

Group). He is finance director of Leisuretime International.

 Mr Jan Gotteberg, managing director of NEK Cables, Dr Clive Morton, director of personnel and administration, Komatsu UK, and Mr Colin Person of Standard Cables, and Cables of Standard Cables of Sta Miller, have been appointed to the board of the TYNE AND WEAR DEVELOPMENT

Mr Stephen Lee has been appointed group managing director of COPYSTATIC.

COMMODITIES AND AGRICULTURE

Nickel price falls further as Canadian strike ends

By Robert Gibbens in Montreal and Kenneth Gooding in London

THE PRICE of nickel fell again yesterday following news from Canada that the strike at Falconbridge's mining operations at Sudbury, Ontario, had ended after only stable down eight days.
On the London Metal

Exchange the price of nickel for delivery in three months dropped by \$475 a tonne, or 21.5 cents a lb, to £12,725 a tonne, or 5.77 cents a lb. The three-month price has fallen by £925 a tonne in the past week in spite of the strike

at Sudbury which produces about 30,000 tonnes of nickel a Falconbridge had indicated it would be able to maintain shipments to customers for at least six weeks but analysts yester-day were saying the nickel price hardly reacted when the

strike was called. This was in sharp contrast to the nervous reaction only six months ago when the price jumped by 270 per cent in five weeks to reach a record \$22,200 weeks to reach a record \$22,200 is almost negligible for the a tonne (\$10 a lb) on March 28. foreseeable future. Consumer concerns about future availability of nickel "The present nickel price, had largely disappeared, Mr short of a major strike or mine

Silver (cz). -90,000 to 14,672,000

'Peter Miller, of Yorkton Securities, a London-based natural resources research group, said yesterday. "In contrast, occasional producer purchases at about \$6 a lb have been noted in the past few weeks."

maintain the \$6 a lb price level for several months without unduly straining their balance He said: "However, this does

He said producers could

mean the possibility for any substantial and sustained upside potential for the metal

catastrophe, is unsustainable in the medium term and could very easily come under significant downward pressure early in 1989. Falconbridge's new contract

with the Mill & Smelter Union covers 1,700 employees. It was unanimously recommended by the union's bargaining commit-tee and was expected to be rati-fied by a vote late yesterday. Meanwhile, the aluminium price weakened on the LME yesterday under pressure from West German and Japanese selling, traders said.

Sellers were banking on Alcan avoiding a threatened strike at its Kitimat operations in British Columbia, Canada, and correctly predicted a sharp rise in LME stocks, they said. The exchange reported that its combined stocks of

standard and high-grade aluminium rose by 10,675 tonnes, to 122,750 tonnes, last week. The three-month price of high-grade (99.7 per cent pure) aluminium fell by \$100, to \$2,780 a tonne, yesterday while standard (99.5 per cent pure) was \$18.5 down at \$1,581.50 a tonne.

Tin shortage and higher prices forecast by Warburg

By Kenneth Gooding, Mining Correspondent

DEMAND FOR tin would stocks would be down to 31,000 outstrip supply by about 16,000 tonnes, that is nine weeks' tonnes this year and, consumption, which Warburg consequently, the price should rise steadily, Warburg securities, the London stockbroker, said in an analysis.

Warburg said the tip mice.

Warburg said the tin price may average £4,560 a tonne in this second half, compared with £3,838 in the first half. It forecast an average price of £5,400 a tonne for next

Tin output was likely to rise next year, encouraged by higher prices and increased output from Brazil, which was likely to overtake Malaysia as leading tin-producer.

However, continued world economic growth and renewed usage of tin cans was likely to produce another supply deficit

Reuter reports from Colombo.

The board was very optimistic about this year's output, its

deputy director-general, Mr T.

213.3m kg. The highest

Sambasivam, said.

• Stocks Brazil is refusing to release as a matter of policy. which may rise from 6,500 tonnes to 15,000 tonnes this

year.

• About 19,000 tonnes from International Tin Council stocks held by banks as collateral. The price has been depressed

since it collapsed in October 1985 when the ITC's bufferstock manager announced he could no longer support the tin market because his cash had run out.

This left the ITC's massive of about 8,000 tonnes.

This suggested that by the end of next year visible tin overhanging the market. stockpile, which reached a

Stocks have been steadily whittled away by buoyant demand and supply restraint by the main producers.

Because the Brazilian and

banks' tin stocks were being held off the market for legal, policy or political reasons, supply and demand should remain reasonably balanced for some time, Warburg said. It said its forecast could be

• The US authorities raised sales from the 35,000 tonnes in the General Services Administration stockpile.

• Brazil increased output from its huge reserves. On the positive side, Warburg said there were signs the canning industry was reverting to tin plate because of the current high price of aluminium, its main rival in the beverage-can market.

Sri Lanka expects big rise in tea crop SRI LANKA'S Tea Board recorded crop was 228m kg, in

> board figures. Brokers said the rise was due to favourable

period last year, according to

rain in growing areas in June and July restricted production

year, well above the 215m kg year totalled 141m kg, up from target set earlier this year, 126m kg in the corresponding

SRI LANKA'S Tea Board recorded crop was 228m kg, in forecast a crop of between 1965.

Output in January-July this increase the size of the crop in

He said he expected prices in this second half to rise above the average of Rs44 (80.5p) a kilogram in the first six months, compared with Rs33 in the corresponding period of

Brussels steps up beef sales effort

By William Dawkins in

THE European Commission has sold 60,000 tonnes of beef to Poland at about a fifth its book-value, as part of Brussels's increased efforts to cut surplus stocks.

The meat will be supplied in two equal parts from West German and French intervention stocks to a German exporter, who is to sell it on to the Polish authorities at between Ecu414 and Ecu511 a tonne, valuing the transaction at Ecu2.5m to Ecu3m (£1.65m to £2m).

The sale price is struck after the standard EC export refund of Ecu895 a tonne for beef sales to Comecon states.

Commission officials empha-

sised it was a purely commercial sale made as part of the EC's campaign to rid itself of a mountain standing at just over 750,000 tonnes before the sale. Brussels is close to selling another 200,000 tonnes to the Soviet Union, the purchase of which was believed to have been a condition of an earlier sale of 100,000 tonnes of surplus butter to the Soviet

WEEKLY **METALS**

All prices as supplied by Metal Bulletin (last week's prices in brackets).

ANTIMONY: European free market 99.6 per cent, \$ per tonne, in warehouse, 2,100-2,160 (2,100-2,150). BISMUTH: European free

market, min. 99.99 per cent, \$ per lb, tonne lots in warehouse, 5.80-5.95 (5.95-6.05). CADMIUM: European free market, min. 99.5 per cent, \$ per lb, in warehouse ingots

7.30-7.50 (same), sticks 7.30-7.50 COBALT: European free market, 99.5 per cent, \$ per lb, in warehouse, 6.90-7.10 (6.85-

MERCURY: European free market, min. 99.99 per cent, \$ per 76 lb flask, in warehouse, 310-320 (315-325). MOLYBDENUM: European'

free market, drummed molyb-dic oxide, \$ per lb Mo, in warehouse, 3.45-3.50 (3.42-3.50). SELENIUM: European free market, min 99.5 per cent, \$ per lb, in warehouse, 9.65-9.75

(same).
TUNGSTEN ORE: European free market, standard min. 65 er cent, \$ per tonne unit (10 kg) WO, cif, 51-59 (same). VANADIUM: European free market, min. 98 per cent, VO, cif, 5.10-5.60 (same).

Nuezco ŪBANIUM: exchange value, \$ per lb, UO, 14.75 (same).

A bearish future for new gilts

Pig-producers face desperate times despite hopeful option

⊿iar again. After an absence since last May, there

were pigs in the pens.
I've missed the friendly grunting of my favourite farm animals, and the mutual pleasure for man and beast which comes from scratching a sow behind the ear.

Even though the pigs are back, my access to them will be more restricted than it used to be. And I wish I felt more confident about their potential profitability.

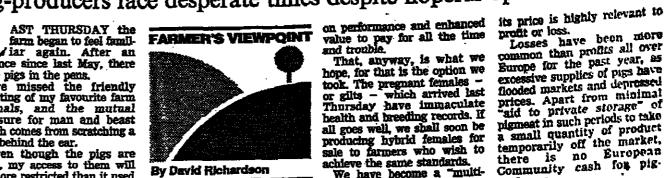
Pigs have been a part of my life for as long as I can remember. I was only 10 when my father sold me my first weaner to fatten, and he had kept pigs since the 1920s. Until four months ago, the farm had never been without pigs since those days, and that was one of

the reasons which forced the recent change of policy. Inevitably, with pigs passing through the same buildings over many years, a herd develops what vets call a burden of sub-clinical disease. In other words, the pigs are not ill but do spend some energy fighting infection, rather than growing into pork.

Every now and then, if weather conditions change or some other stress occurs, disease flares up and medication is required to Our herd's health had

reached that state last year.
The pigs looked healthy enough but were failing to match targets of growth rate and feed efficiency essential to profitability in what has become one of the most competitive sectors of springly the sectors.

We were also concerned about the level and cost of medication which was having to be administered and the long-term likelihood that its use would be banned. There were two possible.



solutions. The first was to sell out and to stay out. The pig sector was, after all, suffering sector was, after all, suffering from a Europe-wide recession with no immediate prospect of recovery because of the large numbers of pigs already in the production pipeline.

The second was to clear out the existing herd, disinfect and refurbish the buildings, and restock with high-health status pigs guaranteed free of the most damaging diseases.

most damaging diseases.
Such pigs derive their disease free status from they or their parents having been delivered by Caesarean section in pathogen-free conditions and no exposure to bugs which may have been carried by their

They are then kept in secure pig units at least two miles from any other pig-farm. They are also isolated from contact with contaminated pigs or people who have been with other pigs in the previous 48 hours. Even those who tend and feed such animals must shower, and change all their clothes, before entering their

Birds and vermin do not obey such rules, and it has to be accepted that this will probably lead to a health breakdown in due course.

Meanwhile, those who invest in such stock and such security hope that they will have saved enough on feed and medication and gained enough

That, anyway, is what we hope, for that is the option we took. The premant females -or gilts - which arrived last or gilts - which arrived last Thursday have immaculate health and breeding records. If all goes well, we shall soon be producing hybrid females for sale to farmers who wish to achieve the same standards. We have become a "multi-

plier" for one of the specialist producers. pig companies producing breeding-stock for distribution around Britain and abroad. However, given that I, too, must shower and change

clothes before visiting these elite animals and stay away from them after I have visited other farms, it will be impractical for me to enjoy a daily scratch.

That may be the least of my problems. When we signed the contract to buy the gilts which have just arrived, we calculated that the piglets which they are carrying would be saleable as pork early next

We thought that by then the pig-trade recession would be over and we would have been out of pig production in a period others would have made losses. The profit we would make would compensate for the large gap in our cash flow in the nine months or so when

in the nime months or so when we had no pigs to sell.

However, UK pig prospects for next year have declined. According to the Meat and Livestock Commission, increased imports from continental Europe are likely to continue to degrees British. to continue to depress British markets for at least the first half of next year.

Further, the North American drought has raised the price of soys, the main protein for pig rations, until at least the next US harvest next summer. Feed represents about 85 per cent of the cost of producing a pig, so

Europe for the past year, as excessive supplies of pigs have flooded markets and depressed prices. Apart from minimal aid to private storage of pigment in such periods to take a small quantity of product temporarily off the market, there is no European Community cash for pig-

Market forces are supposed to adjust supply to demand.
Indeed, in the past the
notorious pig cycle of surve
and bust had that effect. Today, however, most pigfarmers are specialists with big berds and financial commitments. They hang on longer than they used to, as shown by the Ministry of Agriculture's

the Ministry of Agricultural latest figures.

The June agricultural census, published last week, indicated that the UK pigbreeding herd had declined by only 2 per cent, in spite of heavy losses being made by most producers.

However, further reductions

However, further reductions have been made since that survey because of feed's survey because of feet secondaring price. In fact there have been reports of pregnant sows being slaughtered just before giving birth, a sure sign farmers are desperate.

Many butchers are making

Many butchers are making the situation worse. Instead of passing on the benefits of low, wholesale pork prices to housewives, which would almost certainly stimulate demand, they are holding pork prices at previous levels and using the extra profit from it to cut the retail price of beef and lamb. In the trade this practice is called averaging. It may be good policy for butchers; it may be appreciated by consumers of beef and lamb; but it is bad news for

pork-lovers and pig-farmers like me.

European Commission sets higher price for rapeseed By William Dawkins

THE FARMGATE price of European Community-grown rapeseed would rise by about 2 per cent with immediate effect, the European Commission said

yesterday in Brussels. The EC oilseed management committee ruled that there should be an 8 per cent cut in the target price at which the commission would underwrite rapeseed prices.

That produces a rise of about 2 per cent in real prices when compared with EC target prices for the past sea which were subject to a 10 per cent cut, or abatement. The ruling is the first

application to this sensitive sector of the strengthened system of price and production controls agreed by memberstates in February in their farm-spending reform package.
It means oilseed prices

should rise from the Ecu405.18 a tonne set for the past marketing year to about Ecu414.18 a tonne. The final figure may vary slightly after officials have completed their complex calculations.

EC member states agreed on an Ecu450.2 a tonne target price for rapeseed in their annual price fixing this summer. That depended on output not exceeding a maximum guaranteed quantity

However, the management committee estimated yesterday that output would actually

come out nearly 17.8 per cent higher than that, at 5.3m tonnes threshold. The commission, under the

new controls, knocks 0.45 per cent off the initial target-price for each percentage point by which output overshoots the That calculation gave yesterday's 8 per cent abatement in

output this year has

unexpectedly overshot targets.
The commission has ruled that prices for the new harvest of those crops must fall from the initial target of Ecu29.52 (£19.48) per 100 kg to Ecu26.86.

The price for sweet lupins, used as animal-feed, will fall from Ecu 32.65 per 100kg to Ecu29.71. Spanish sweet-lupin growers have a slightly smaller price fall, from Ecu32.65 to Ecu29.82. The cuts are backdated to July 1.

Farmers have overshot this year's thresholds by 20 per cent. The guarantee threshold the initial target price.

Meanwhile, EC guaranteed year during price fixing but prices for peas and beaus are officials now estimate the to take a 9 per cent cut because harvest, due to end soon, will bring in 4.2m tonnes.

The same calculations used for rapeseed apply to pea and bean prices, though this is the first year these protein crops have come into the system. As a result, the 9 per cent cut does not have to be adusted

LONDON MARKETS

COCOA prices bounced up from Friday's 7-year lows yesterday as frest demand came in for nearby positions. higher at £850 a tonne but promot September was even stronger, up £28 at £901 a tonne. Dealers said this reflected buying by an operator who was believed to be short of physical supplies and planning to take delivery against the September position startes mood to take much notice of warnings Agreement unless prices rose. The Ivory Coast is the world's biggest cocoa producer and recent trade forecasts have put its 1988-89 crop at up to 750,000 tonnes, nearly 100,000

SPOT MARKETS

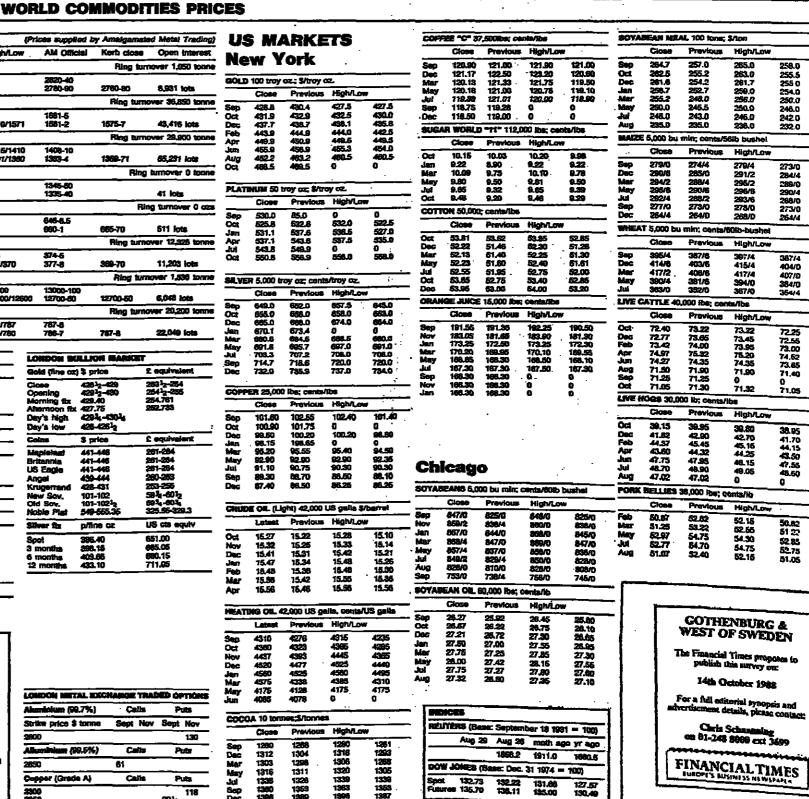
Crude oil (per barrel FOB S	ieptember)	+ or -
Dubsi	\$12.94-2.990	
Brent Blend	\$14.52-4.57y	
W.T.I. (1 pm est)	\$15.25-5.30q	
	•	
Oil products		
NWE prompt delivery per	tonne CIF)	
		+ 01 -
Premium Gasoline	\$178-181	
Gas Oil	\$127-129	
Heavy Fuel Oil	566-69	-1
Naphtha	\$135-137	+0.5
Petroleum Argus Estimates	•	
Other		+ ar -
Gold (per troy oz) 🏚	\$428.75	-3.00
Silver (per troy oz)	657c	.
Platinum (per troy oz)	\$524.50	-18.25
Paliadium (per troy oz)	\$122.65	-1.60
Aluminium (free market)	\$2830	-115
Copper (US Producer)	106%-110c	+0.5
Lead (US Producer)	36c	-u.a
Vickel (tree market)	600c	-20
fin (European free market)		~au +5
fin (Kuala Lumpur market)		+0.08
fin (New York)	348.75c	+ 1.0
		T 1.0
Zinc (Euro, Prod. Price)	\$1275	
Zinc (US Prime Western)	65525	
Cattle (live weight)†	113.69p	-1.15°
Sheep (dead weight)†	161.51p	-8.59*
Pigs (live weight)	68.15p	+0.56"
	<u> </u>	
ondon daily sugar (raw)	S267.0s	4.0
London daily sugar (white)		-2.5
Tate and Lyle export price	£268.0	-1.5
Barley (English feed)	£103.5y	
Maize (US No. 3 yellow)	£128q	
Wheat (US Dark Northern)	£122.5y	
unes foo ook lecolatil)	 _	
Rubber (spot)♥	71.25p	-0.50
Rubber (Oct)♥	77.76p	-0.50
Rubber (Nov) 🎔	78.25p	-0.50
Rubber (KL RSS No 1 Sep)) 334.5m	-4.0
	\$562w	
Coconut oil (Philippines)§		
Palm Oil (Malaysian)9	\$435y	
Copra (Philippines)š	\$365x	-10
Sovebeans (US)	\$201.5	
	55.85c	+0.95
Cotton "A" Index Mooltops (64s Super)	630p	

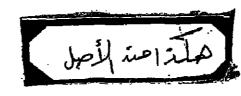
	Close	Previous	High/Low
ер	901	873	908 888
ec ler	850 834	835 826	850 82 <u>6</u> 836 816
ar lay	834 847	838	535 616 847 827
al .	858	849	858 841
ec ep	871	880	873 857
_	910	900	908 896
CO 10	MICRIOL D	nces (SDR	of 10 tonnes is per tonne). Daily
ice to	r Aug 26:	1086.63 (10	195.99) :10 day aver-
ge for	Aug 29: 1	1088.01 (101	35.75) .
OFFEE	£/tonne		
	Close	Previous	High/Low
	1001	1010	1007 996
ΙΟΨ	1014	1020	1020 1005
an iar	1015 1004	1023 1014	1019 1008 1006 997
ley	1005	1015	1007 997
<u>y</u> _	1007	1015	1007 985
3 0	1015		1019
I <i>move</i> Co In	r: 5244 (1 dicator e	(667) lots o	r a 100068 Sents per pound) for
ug 29:	Comp. d	ally 109.17	ents per pound) for (111.68); . 15 day
retage	108.32 (1	(07.60) .	
			*
	(\$ per to		High/Low
	Ciose	Previous	
86 CI	235.60 234.00	238.40 237.60	238.40 232.40
Let	228.80	227.40	228.60 222.60
lay	222.80	222.00	223.00 219.40
let Let	221.00 221.00	220.00	219.00 216.00 219.00
/bite	Close	Previous	High/Low
	260.00	259.00	255.60 254.00
)ct Jac;	256.00	255.00	THE CAME
Aer	257.00	259.00	263.00 250.00
ау	257.00	258.50	253.00 250.20
Umove hite 7	sr: Raw 1 14 (1863)	1057 (1695)	lots of 50 tonnes.
	Unka (EEs	per tonne):	Oct 1605, Dec 1585,
208- Y	ALDINE FL. L.	4	595 Ow 1805
erns- Y Jear 156	35, May 1	ous, Aug 1	
ler 150	35, May 1		
ler 150	55, May 1		
iar 150	S5, May 1	Previous	High/Low
AAS OF	25, May 1 L \$/tonne Close 128.00	Previous	High/Low 129.00 128.25
IAS OF	28.00 128.00 130.50	Previous 128.25 131.00	High/Low 129.00 128.25 130.75 129.25
AS Of	25, May 1 L \$/tonne Close 128.00	Previous 128.25 131.00 133.50	High/Low 129.00 128.25 130.75 129.25 133.25 131.50
AS OF	L \$/tonne Close 128.00 130.50 133.25 138.00 132.50	Previous 128.25 131.00 133.50 138.00 133.25	High/Low 129.00 128.25 130.75 129.25 133.25 131.50 138.00 133.50 133.00 122.25
iep let lec an eb	E. \$/tonne Close 128.00 130.50 133.25 138.00 132.50 130.25	Previous 128.25 131.00 133.50 138.00	High/Low 128.00 128.25 130.75 129.25 133.25 131.60 136.00 133.50 133.00 122.25 130.75 130.00
AS OF	285, May 1 Close 128.00 130.50 133.25 138.00 132.53 130.25 129.00	Previous 128.25 131.00 133.50 138.00 133.25	High/Low 128.00 128.25 130.75 129.25 133.25 131.50 136.00 133.50 133.00 122.25 130.75 130.00 129.50 129.00
ep ct cov	E. \$/tonne Close 128.00 130.50 133.25 138.00 132.50 130.25 129.00 128.25	Previous 128.25 131.00 133.50 138.00 133.25 130.50	High/Low 128.00 128.25 130.75 129.25 131.25 131.50 138.00 133.50 133.00 132.25 130.75 130.00 128.50 128.00 128.50 128.25
iar 156 iap olici ici iov iac an eb	E. \$/tonne Close 128.00 130.50 133.25 138.00 132.50 130.25 129.00 128.25	Previous 128.25 131.00 133.50 138.00 133.25 130.50	High/Low 128.00 128.25 130.75 129.25 133.25 131.50 133.00 122.25 130.75 130.00 129.50 129.00
Gep 156 Gep 160 Get 160 Gep 16	L \$/tonne Close 128.00 130.50 133.25 138.00 132.53 130.25 129.00 128.25 er 5265 (7	Previous 128.25 131.00 133.50 138.00 133.25 130.50	High/Low 128.00 128.25 130.75 129.25 131.25 131.50 138.00 133.50 133.00 132.25 130.75 130.00 128.50 128.00 128.50 128.25
ier 156 A8 Of Eep Oct Iov Dec Sen Eeb Mar Eep Turnow	E. S/tonne Close 128.00 130.50 130.50 132.55 138.00 132.55 129.00 128.25 er 5265 (7	Previous 128.25 131.00 133.50 138.00 133.25 130.50	High/Low 128.00 128.25 130.75 129.25 131.25 131.50 138.00 133.50 133.00 132.25 130.75 130.00 128.50 128.00 128.50 128.25 1 100 tonnee
ier 156 AS Of Eep Oct Iov Dec Sen Eeb Har IPF Urnow RABIS	E. S/tonne Close 128.00 130.50 130.50 130.25 138.00 130.25 129.00 128.25 er 5265 (7	Previous 128.25 131.00 133.50 138.00 139.25 139.50 Frevious	High/Low 128.00 128.25 130.75 129.25 131.25 131.50 138.00 133.50 133.00 132.25 130.75 139.00 128.50 128.05 128.50 128.25 f 100 tonnee
ias 156 ias Ol iep ict ict ict ias	L \$/tonne Close 128.00 130.50 130.50 130.50 130.25 138.00 132.53 130.05 129.00 128.25 er 5265 (7	Previous 128.25 131.00 133.50 138.00 139.25 130.50 Frevious 107.85	High/Low 128.00 128.25 130.75 129.25 130.75 129.25 133.25 131.50 133.00 132.25 130.75 130.00 129.50 129.00 128.50 128.25 100 tornnes High/Low 107.85 107.80
ier 156 ies Of i	E. \$/tonne Close 128.00 130.50 130.50 130.55 138.00 132.55 139.00 128.25 ev 5265 (7	Previous 128.25 131.00 133.50 133.50 133.25 130.50 Frevious Previous 107.85	High/Low 128.00 128.25 130.75 129.25 133.25 131.50 138.00 133.50 133.00 132.25 130.75 129.00 129.50 129.00 129.50 129.00 128.50 128.25 (100 tornee
ler 156 A& Ol Lep Oct lov See lan Geb flar Urnov RABNS Theat Bp ov sen	L \$/tonne Close 128.00 130.50 130.50 130.50 130.25 138.00 132.53 130.05 129.00 128.25 er 5265 (7	Previous 128.25 131.00 133.50 138.00 139.25 130.50 Frevious 107.85	High/Low 129.00 128.25 130.75 129.25 130.75 129.25 133.25 131.50 133.00 132.25 130.075 130.00 129.50 129.00 125.50 128.25 1 100 tornnes High/Low 107.85 107.80
iar 156 IAS Of Incident Incide	E. Stonne Close 128.05 130.50 130.50 130.25 130.03 130.25 129.00 128.25 er 5265 (7 250.00 109.75 109.75 112.35	Previous 128.25 131.00 133.25 138.00 138.25 130.50 Frevious 107.85 109.78	High/Low 128.00 128.25 130.75 129.25 130.75 131.50 133.50 133.50 133.50 132.25 130.75 130.00 128.50 129.00 128.50 129.00 128.50 129.25 d 100 tonnee High/Low 107.85 107.80 109.25 109.60 112.35 112.00
ler 156 BAS OI BERT STATE STAT	E. \$/tonne Close 128.00 130.50 130.50 130.50 130.25 138.00 130.25 130.05 130.25 129.00 128.25 er 5265 (7	Previous 128.25 131.00 133.50 138.00 139.25 130.50 Frevious 107.85 109.75 112.36	High/Low 128.00 126.25 130.75 129.25 133.25 131.50 138.00 133.50 133.00 122.25 130.75 130.00 129.50 129.00 128.50 128.25 (100 tonnes High/Low 107.85 107.80 109.75 109.50 112.35 112.00 115.00 114.75
er 156 AS OI ep ct tov ec es bet arrest tov ARABIS ARABIS BUTTOM	E. \$/tonne Close 128.00 130.50 130.50 130.25 138.00 132.53 138.00 132.53 139.00 128.25 er 5265 (7 2/tonne Close 107.95 109.75 112.85 117.65	Previous 128.25 131.00 133.25 138.00 138.25 130.50 Frevious 107.85 109.78 112.36 115.00 117.70	High/Low 128.00 128.25 130.75 129.25 131.25 131.50 133.50 133.50 133.00 122.25 130.75 129.00 128.50 128.00 128.50 128.25 6 100 tornnee High/Low 107.85 107.80 109.75 109.60 112.35 112.00 115.00 114.75 117.70 117.40
ar 150 AS OI ESP CT OV ON ESP CT ON	L \$/tonne Close 128.00 130.50 130.50 130.25 138.00 132.53 130.25 129.00 128.25 er 5265 (7 2/tonne Close 107.95 109.75 112.85 117.65	Previous 128.25 131.00 133.50 138.00 139.50 139.50 510) lets of 190.50 177.85 109.75 112.35 117.70	High/Low 128.00 128.25 130.75 129.25 133.25 131.50 138.00 133.50 133.30 132.25 130.75 130.00 129.50 129.00 120.50 128.25 4 100 tonnee High/Low 107.85 107.80 109.75 109.60 112.35 112.00 115.00 114.75 117.70 117.40 High/Low
ier 156 AS Of Eep Oct Iov Dec Sen Eeb Har IPF Urnow RABIS	E. \$/tonne Close 128.00 130.50 130.50 130.25 138.00 132.53 138.00 132.53 139.00 128.25 er 5265 (7 2/tonne Close 107.95 109.75 112.85 117.65	Previous 128.25 131.00 133.25 138.00 138.25 130.50 Frevious 107.85 109.78 112.36 115.00 117.70	High/Low 128.00 128.25 130.75 129.25 131.25 131.50 133.50 133.50 133.00 122.25 130.75 129.00 128.50 128.00 128.50 128.25 6 100 tornnee High/Low 107.85 107.80 109.75 109.60 112.35 112.00 115.00 114.75 117.70 117.40

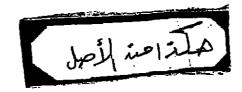
Aluminius Cash 8 months	Close		Afige	(Prices supplied by Amelgamated Metal Tradin					
Cash		·	Previous	High/Low	AM Offic	tal Kerb d	ose Open Intere		
	a, 99. 7%	, purity (\$ per tonne)			Aling	turnover 1,050 too		
	2840-		2940-60		2820-40				
	2775		2870-90		2780-90	2780-80	8,931 lots turnover 36,850 ton		
Cask	1677-		1715-25		1681-5	nung	TURNOVER SO,830 EM		
anonths	1581-		1599-601	1610/157		1575-7	43,416 lots		
Copper, G	rade A	(£ per to				Ring	turnover 29,900 ton		
Cash 3 months	1392- 1386-		1398-9 1369-70	1415/1410		1369-71	65,231 late		
Copper, S		_		1307/1300			Ring turnover 0 ton		
Cash	1325		1330-40		1345-80		thing millions of the		
months	1315-	20	1320-30		1335-40		41 lots		
Silver (US		ine ounc					Ring turnover 0 c		
Cash 3 months	651-2 684-6		660-3 673-5		646-8.5 960-1	665-70	611 lots		
Leed (£ pe)					turnover 12,325 ton		
Cesh	365-7		369-70	874	374-5				
months	370-1		374-5	377/370	377-8	389-70	11,203 lots		
Mickel (\$ p							turnover 1,536 ton		
Cesh 3 months	13100 12700		1\$500-25 1\$195-205	13000 12800/126	13000-10 00 12700-80	12700-5	0 6,048 tots		
Zinc (2 pe	r tonne)	,					turnover 20,200 ton		
Cash	791-3		796-8	788/787	767-8				
nonths	787-8		792-8	789/780	786-7	787-8	22,049 lots		
OTATOE	R Canne				1000000				
	HODE B FLEDIN	Previou	± High/Low		Gold (fire oz	A price	£ equivalent		
Nov	66.0	65.0	65.0	—	Close	42612-429	253 ¹ 2-254		
eb .	75.5 96.1	75.0 96.2	95.0 94.0		Opening	429 ¹ 2-430 429.40	264 ¹ 2-255 254.761		
	07.0	106.0	105.0		Morning fix Aharmoon fix	427.75	252.783		
urnover 2	261 (127	7) lots of	40 tonnes.		Day's high Day's low	428-426 ¹ 2			
SOYABEA		£/tonne			Coins	\$ price	Ineigviupe 2		
	Jose	Previou			Maplelant	441-448	261-254		
	69.00 76.00	169.00 177.50	169.00 167. 176.00 175		Britannia US Eagla	441-446 441-446	261-254 261-264		
	90,00	183.50	180.00		Angel	439-444	260-263		
umover 4	45 (105)	lots of	20 tonnes.		Krugemand New Sov.	428-43 1 101-102	253-255 5814-601 ₂		
FREIGHT I	FUTURE	3 \$10/in	dex point		Old Sov. Noble Plat	101-102 ¹ 2 5 49-555.3 5	69 ¼ -60 ¼ 325.56-329.3		
	lose	Previou			Silver fix	p/fine oz	US cts equiv		
	261 363	1263 1392	1261 1400 1363		Spot	396.40	651,00		
Det 1	500	1500	1516 1500		3 months	398.15	665.05		
	.535 :565	1540 1555	1545 1530 1575 1580		6 months 12 months	409.65 433.10	680.15 711.05		
	267	1261							
Apr 1	æ;								

COTTON Liverpool- Spot and shipmen week ended August 26 amou tonnes against 58 tonnes in t week. Trading was moderate occurring in Russian, west Afr and Pakistan Growths.	nted to 373 he previous with sales
JUTE August/September c and f Du \$485, BWC \$475, BTD \$420, B f Antwerp BTC \$455, BWC \$4- BTD \$405.	WD \$415, c and

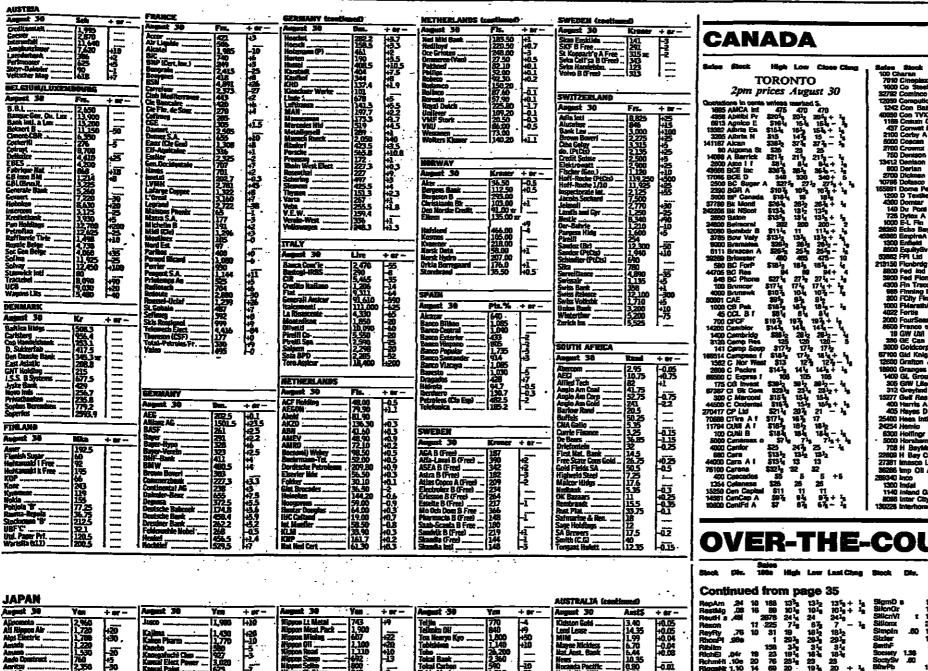
rmover 29,900 tonne	Apr	44
65,231 lots	Jun Aug	40
ing turnover 0 tonne	Oct	48
	PLAT	NU
41 lots Ring turnover 0 czs		С
fully turnitives o oza	Sep	
611 lots	-Jam -Det	5
rnover 12,325 tonne	Apr	5 5 5
11,203 lots	Oct	5
turnover 1,536 tonne	SALVE	n e
		G
6,048 tota	Sep	
rnover 20,200 tonne	Oct Dec	64 65 65 65 65 65
22,049 lots	Jan Mar	67
	May	8
ET .	Jul Sep	71
2 equivalent	Dec .	73
253 ¹ 2-254 254 ¹ 2-255	COPP	
254.761 252.733		С
	Sep	10
Ineleviupe 2	Oct Dec Jan	20
261-254	Mar	- 50
261-254 261-264 260-263	May	92 91
260-263 253-256	Sep Dec	10 90 90 91 91 91 91 91 91
59%-60%		
69 ¹ 4-60 ¹ 4 325.56-329.3	CRUE	
US cts equiv		Ų
651.00	Oct	16
665.06 680.15	Nov Dec	15
711.95	Jan Feb Mer	1:
	Mer Abr	1
	HEAT	NG
		u
	Sep. Oct	43
	Nov	44
	Dec Jen Mar	45
	May	41
TRADED OPTIONS	Jun	40
Nov Sept Nov	COCK	
130		C
ilis Puts	Sep	1:
	Mar	1
dis Puts	May Jul	1
118	Sep	1
30,75	200	•







WORLD STOCK MARKETS



JAPAN						•	• :				AUSTRALIA (conti	cond)	٠.
August 30	Yen	+ 97 -	Argest 30	Yes	+ 97 -	August 30	· Yen .	+ 97 -	Amount 30	(en + or -	August 30		67 -
Alloomolo	2,960	$\overline{}$	Jusco	II,980	1+30	Mippoo Lt Metal	743	149			Klaston Gold	3.40 HO	1.05
Alf Rippon Air	11.770	+20	Kajibra	1,60	-10 +50	Nippor Meal Pack Hippos Misleg	1,900 607	+22	Telloku Oil	770 -4 840 -9 1,800 +50 1,140 +10	Leas Least	14.35 +0 1.99 +0	0.05 0.04
Acedi	1220	}ião .	Kalen Pharm	1.000 1.770 580 927	- <u>1</u> 0	Nippon Cili	2.100	125a	Tobishina	140 +10	Mayee Mickless	16.70 HD.	D.D4
Amuse	認	-26 +5	Kanegafechi Chen Kansai Elect Power	97	3	Kilippon Road	1110	-20 -13 -13	Toko	20 <u>,</u> 200	Heas	6.44 +0 10.35	80.0
Anritti	12.358	30	Kernel Belgt	3,020 623	تو_ا	Nippon Sanco	692 800 848 1,120	1	Total Carbon	590 -10 L960 +30 2370 -10	Noranda Pacific	10.86 I-a	10.0
Aoki Corp Arabiso (lif	910 5,470	130	Kae Corp	623 1,740 1,770 602	+10	Repport Strictures	1.120	123	Tolon Reaction 2	1,960 H30 2,370 I-10	North Bion Hill		1.05
Asabi Chemicak	11.040	[-	Kashiyama Kanasaki Henr	750	+10	Hippon Shingan Hippon Steel Hippon Suisan	<u> </u>	12	l Tokya Electric Pyr!!	780 +210 2920 +30	Oaktridge Pactfic Dunlop	444).01).09
ووفي الأدعاء الربيبية الإداماء	1,900		Kanasaki Steel	1707	19	1 A GROSS 1 T	(5)1 741 22,500	13	Tokyo Electron	780 +210 920 +30 1200 -30 1540 +40 1530 +20	Pancont'1	邊場	1.05
Basek Tokyo		1+20	Kinki Elect	1110 2500 1940 4% 3,570 3,120	-10°	Alippon Yesee	700 708	HZ.	Tokyo Rope	200 -30 2540 -40 3550 -20 1760	Placer Pacific	240 +0	11 104 105 102
Banju Pharm Bridgestone	1,560 1,380 1,300	+20 -10 +30 -10	Kirin Brewery	1,940	100	Missan Motor	1.130		Tokyo Steel	766 [Oceanstand Coal	116 10	32
Bryther Inds	76		Kolto Mfg	3370	-100	Nissel Sangro	2,020 1,420	100	1007 127	L,iogu 130	Sastos	14.05 HO.	104
alpis Food	7.246	+30	Kontaker	};	140 23 28	j Nissbig Oil	990 1,246 3,350 620	+6	Tokya Land	1600	Thos Natwide	4.57 +0.	1.02
2000 Sales	1480 3150		Kenica	1.620 3.500	+30	Nisshiribo kads,	1248	域	Taggas Print	1920 +70 198 -2	Vamgas	9.00 2.80	
asio Computer	1,360	-29 -42 -29 -29 -29	Keraksen Staffen	温0		Mitto Boseki	620	+30 -50 +9 -30 +20	Toshiha Elect	<u>(25</u> 0 + <u>3</u> 0	Western Mining	15 RG 140).0B
Zilyoda Chem	器	15	Kumagai-Guesi	1895.	-13 +15	Nortale	3590 1170	120	Tota	ина	Westpac	5.68 × +0. 1.76 +0. 3.35 +0.	104 101 105
heba Elect Per	3.040 1.580	1+30	Keraray	1290		,	1,120	1-20	Toyo Construct	80 ±20	Wootworths	335 10	ũŝ
Harris Histor Watch	133 1831	138	Kyotare	1,290 1,050 1,809 5,680	-	Odakyu Elec Rity Ohbayashi-Gomi	886 1,390	15	Toyo lek 8	80 H20	Wormald Intil	1178	
alcel Chenical	899 675		Kyoto Ceramie	5480 1580	-20 +10	Oli Paper	11.390	+50 +50 +30 +40 -5 +20 +15	Toso Seliza 12	17 -1 1600 +50 25 +18 1610 +10	HONG KONG		
alcel Chenical aldo Steol ald:	675 2,100	-12	Lies	7.000	1-10	Oki Electric Glemen Mach	1100	140	Toyo Soda	25 +15 2,610 +10	Assest 30	R.K.S + p	B# -
원 (20 원호	2946. 1,090	+3 +40 +40 +10 +33	Marda Condruct		6	Olomora-Cumi Olympus	960 1,090	녆.	1	-	Bank East Asia	36.30 -0.	
halikye Marko	1,090 2,740	땠	Makino Mililing	1,290 875	· 學· 和用學程·	Onode Cerrent	1440 .	115	UBE leds	麗 片 麗	Cathy Pacific	1805 1-0	LQ5
lai Mippen jek Lai Nippen Ptg	788 2,610	F33	Makita Elect Wit Maryberl	1.680 573	H40	One Pharm	5,600 1,400 3,450 614	180 180 180			Cirles Light	ותבות הבורו	ii .
al Ripper Ptg		150	Maredal Food	1230	-20	Orient Leasing	3,650	130 -		£110 i+10	Farence .	10.43 10	100
alsheus Paper ahra Home ahra Scc	2.050 1.970		Marid	1 230 2 990 2 610 2 610	120			H4	Waxes 1	ـــا 350پ	Hang Lung Hang Seng Bank Henderson Land	127.70 HQ.	
ahra Sec	2,280	.22	Marian Elect. Wist	1,900 679	120	Penta Scean Con	3.550	+4 +50	Yamaha	_350 † -30 °	Henderson Land	1500 -0	107
CHO 2 10 10 10 10 10 10 10	1,970 2,280 3,290 650	+40 42	Mazda Metors	1 000 ·	2	Page	1930 1930		Yamakti Sec	350 10 760 20 130 490	Hongkoog Chiez	7.00	
10 Francisco	928 ·	+70 +2	Meji Witk	1,000 965	2	Ricos Salamana	1200 · 2560	-1	Yamalaholi veeli i 1	860 - 130 300 130	RK Lind		Ĭ.
1934	1,986 1,210	+10 +10	Minoita Camera	Tons .	-30.	ينسسند المهورة		ء وا	11 Tablado 1200 Tablado 1	860	RK Shangkal Bank RK Shangkal Hotels HK Telecomos	1762	
	6.330 3.130	ו אבנגו	Mismra Homes	750 1,750	1	<u> Santyo</u>	2,070		Yasuda Fire	. 286 · F26	HK Telecomms.	515 -0. 810 -0.	115 115
di Bask	3,130	‡20 ‡2	fel biski Bank M'hiski Chem	2,880 1,070 1,100	+38 -10	Sarats	捌	#40 #50	Yasakawa Elect 6	88 12 30 5	Index Forth P	10.70 -0. 12.50	7
HI ENGRE AND	756 3.730		M bishi Corp	1,100	3	Sacus Back	2,460 670	1 i	Yoshilozai Pharus 1	180 -10	Jardine Math	1020 -0	TT.
File	786 1,300	14	M' bishi Elet	910 2 320	30	Sarge Elect.	11 2MU	460	Yussa Battery 17	72 H2	SHK Props	19.75 HO:	ī
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riak	361.20	298.01	297.04	299.54	318.5	277.86 12011 21.51	993.17 (25/8/87)	(21,6,132)	FRANCE			348.2	257.5	368.5 (8/7)	251.200
	25.05	24.82	24,78	2L99	(22%) 25.54 (38)	(Sin	725/8/87) 72.43 725/8/87)	8.64 D.D.B/749	CAE General (31/12/82) Incl. Tendance (31/12/87)	347.6 131.0	347.1 130.5	1303	353.8 131.5	3665 (477) 137.6 (77)	251.3 C9/ 89.7 C9/
E Companie	148.55	147.24	146.94	147,93	155.35 (226)	136.72 (20/1) 262.76	187.99 (25/8/87) 365/AL	2514462 2931	GERMANY - EAZ Aldies (31/12/58)	481.95	476.67	478.65	482.10	495,78 (8/7)	3%,40 (29)
Mic Value	295.05	293,87	293,21	294.06	310 33	ו מצמו	03/8/673	29.33 00120720 34.87	Commerchank (1/12/53) DAX (30/12/67)	1445.8	1450.6	1456.1 1157.65	1467.1 1162.65	1510.4 (8/8) 1199.96 (5/7)	1207.9 C29 931.18 C28
LAR OTC CAMP _	376,21	374.43	374.01	376.03	10/61 394.77 08/77	327	455.28 (26/8/87)	G1/20/72	HONE KONE						
		i Au	19	Aug 1	2	Acg 5	year ago (Hang Song Bank G1/7/6-0	209.55	8	2464.83	2520.86	2772.53 0.2/71	2223,56 (8)
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YENG ACTIVITY			i Aores	•		Adj			METHERLANDS AND CRS General (1970)	253.6	24.2 B	262.6	265.4	284.8 (9/8)	205.7 (4/1
Aug	29 M	Hibs m 26	Jag 25		gus Tradi	<u>d 1,9</u>	15 719	1,937 445	AVEP-CBS indestrial (1,970)	224.7	224.1	223.3	225.9	239.3 (9/9)	157.9 CLÍ/
		88.987	128.020	. / !	Ms	5		1003	HORWAY Oslo SE (4/1/83) ,	נמנ	372.37	373.29	376.02	423.64 (21JT)	327.78 CB
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							;		SOUTH AFRICA		7				
ANADA	Aug	- 4	. 1	~ 1	/== 		1986		JSE Sold (28/9/78)	1247.05 1631.04	1263.0 1641.0	1268.0 1640.0	1283.0 1646.0	3451.0 (7/1) 1758.0 (20/1)	1154.0 (45 1387.0 (12)
OTH	29		- 1 -		24 T	Hilgh 3226.5 (5/7)		1.6= 8.7 48/20	SPAIN	-	286.18	287.77	289.36	301.63.05%	225.50 (4/)
is & Minusels	223			253.9	\$279.24	3465.4 (5)77	297	06 (27/1)	Madril SE 00/12/85)	254.36	Z=0.08	an.//	- 207.30		, 2031 W.
THE AL Partfolip .	1636	_			32.02	1725.71 567		TIES THE	Jacobson & P. (51/12/56)	2954.0	2935.3	2945.8	2949.1	3112.90 (5/5)	2348.5 (4)
EW YO	RK	ACT	rive	ST	ock	.			Switz Eric AND Swits Baset Ind. (31/12/58)	553.1	551.8	556.3	554.4	559.0 (9/8)	465.6 C.3/
	Stacks	Clos	<u> 0</u>		شين و	to	icks Clock daf pric 15,800 69 14,200 15 16,800 18 16,700 11 51,600 46		WORLD N.S. Capital Intl. (1/1/70)	49	433.8	436.3	437.8	465.2 (15/6)	401.0 (21/1

| Section Shock | High | Low | Close Change | 100 Charan | 700 Cimplant | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 ### State | State | Fight | Fi **OVER-THE-COUNTER**

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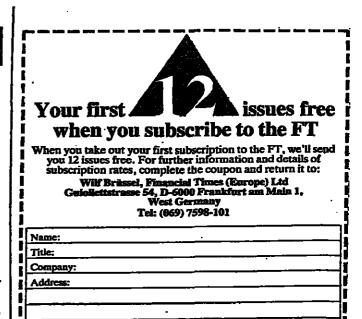
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Gent --- 9000, 9110, 9820, 9830, 9831. Liege — 4000, 4020, 4200, 4400. Leuven - 3000, 3030, 3044, 2072. Kortrijk — 8500, 8510, 8550, 8640.

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OVER-THE-COUNTER

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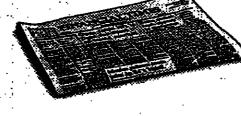
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despite favourable data

EQUITIES DRIFTED lower yesterday and bonds rose only, marginally despite a stronger dollar and some mildly encour-

aging economic figures, writes
Janet Bush in New York.

The Dow Jones Industrial
Average finished 3.20 points
lower at 2,038.23 in another session of very low volume totalling 108.7m shares. Last week, total daily volume hovered around the 120m mark, some of the lowest levels this year. On Friday and Monday, activity dried up even more with vol-ume of 89.2m and 99.2m shares, the warre quietest true shares, the year's quietest two days. Activity, even on a day such as Monday when the Dow rose 24 points, was extremely thin

and almost entirely profes-US bond prices managed gains of up to 4 point and the Treasury's benchmark long bond rose % point for a yield of

9.32 per cent.
The two sets of economic figures released yesterday were leading indicators and factory orders for July. Leading indica-tors fell 0.8 per cent compared with forecasts of a drop of 0.6 per cent, and June's indicators were unrevised at a gain of 1.4

Factory orders fell 3.5 per cent in July, again close to expectations. Economists at

es were not as weak as they smed. They pointed out that non-durable goods had risen 1 per cent – a much less erratic bles, which fell 7.1 per cent in

The dollar dipped slightly after the figures but then rebounded against the yen. Yesterday's economic releases are of little significance to the markets compared with Friday's report on unemployment and jobs figures, a much more crucial indicator for US Federal Reserve policymaking, given the central bank's worries about tightness

Forecasts centre on a rise in the non-farm payroll in August of 230,900 compared with the increase in July of 283,000 according to consensus esti-mates compiled by Money Mar-ket Services of California. However, the markets will also be looking carefully at accompanying figures on hours worked and on wages for any evidence of increased tightness in the labour market and

Among featured stocks was J C Penney, the large retailer, which added \$1% to \$48%. The company said it had created a leveraged employee stock ownwith an expanded stock buvback programme. It said its

aim was to enhance share-holder value and to improve its

employee benefit programme.

Automatic Data Processing fell \$2% to \$35% after some negative comments about the company from analysts at Drexel Burnham Lambert. Middle South Utilities, one of

the most actively traded stocks on the New York Stock Exchange, added \$% to \$13%. The company's chief financial officer attributed the heavy activity in the stock to market speculation that Middle South may resume paying a quarterly dividend. It has not paid one

since July 1984.

American Technical Ceramics slumped \$1 ½ to \$3 on the American Stock Exchange after the company said its agreement in principle to be acquired by AVX Corp for \$5.25 a share had been terminated. AVX added \$1/4 to \$18% on the

GOLD and base metal stocks ushed Toronto moderately lower, as the composite index

Declines outnumbered advances by 383 to 307 on light volume of 17m shares. Topping the most active min-ing stocks list was Inco, which declined C\$1% to C\$37% on profit-taking following a C\$3 rise last week. In golds, Corona was down C\$% at C\$9% and Placer Dome declined C\$% to C\$15%.

Dow hovers little changed Good Hoesch figures help Frankfurt higher

STABILITY in foreign exchange markets and Wall Street's firmer trend on Monday gave some European bourses a gentle lift yesterday but volumes were again very

low, writes Our Markets Staff.
FRANKFURT recovered some ground in the wake of Wall Street's overnight gains and good news from steel com-pany Hoesch. But volume at DM1.6bn worth of West Ger-man shares was still too low for talk of a change of direction in a market that has drifted narrowly for some weeks.

Investors are keeping an eye on the US employment figures, due on Friday, for any further signs of overheating in the US economy which could renew the pressure for higher interest

The FAZ index at midsession was up 5.28 at 481.95 and the DAX real time index finished 13.15 higher at 1,165.53. Hoesch gained DM3.30 to DM158.50 after saying its first half profits had risen sharply and predicting results for the year well above those of 1987.
The company gave no profits figures but said sales had risen 14 per cent to DM4bn.

The figures were in line with expectations, said one analyst, but good for the steel and enging sector. Mannesmann

SOUTH AFRICA

GOLD shares slipped in Johan-nesburg following a fall in the bullion price, but losses were kept in check by support from a weaker financial rand. Vaal Reefs lost R2-50 to R255.

rose DMI_70 to DMI73.30 and <u>In banks, Dresdner måde fur-</u> ther progress after Monday's news of a tie-up with a Franco-Turkish joint venture bank, BNP-AK Bankasi. Dresdner was the second most active stock with DM114m traded, rising DM5.20 to DM262.20.

Retailers were strong, with bargain-hunters in evidence after recent softness in the sector. Kauthof gained DM3 to DM344 and Karstadt DM7.50 to

Bonds again edged higher, helped by a firmer US treasury market and a steady D-Mark. The yield on the latest 10-year federal bond eased to 6.77 per

cent from 6.79.

AMSTERDAM enjoyed a brief morning rally in line with a firm overnight Wall Street, but fell back in the afternoon as London and then New York drifted off, finally closing a fraction better on the day. The CBS all-share index ended 0.1 up at 93.5, below the high of 93.9, in very light volume.

Biochemical stock Gist-Brocades fell F1.2 to F1 36.50 after cades fell F1 2 to F1 36.50 after reporting a 6.6 per cent rise in interim net profits to F1 45m. Analysis out the improvement

down to income from extraor-dinary items — notably the sale of the company's animal

other markets around the

world, the Hang Seng Index lost 56.03 points last Friday,

WORRIES that a fall in the value of sterling could trigger another interest rate rise d inated a nervous day's trading in London. However, equities bounced back from concerted early selling and the FT-SE 100 index closed 15.9 points down at 1.754.8.

International stocks held their own, with both ICI and Glazo improving slightly.

health activities in March and dealers took more notice of Gist-Brocades' underlying per-formance and the 14.8 per cent fall in operating profit to Fi

fall in operating profit to F1 50.4m for the period.

The country's biggest publishing group, VNU, lost 50 cents to F1 86 as the market awaited its half-yearly figures. In the event, VNU reported a 42 per cent rise in interim profit. 42 per cent rise in interim pro-tis to F1 66.8m, well above most analysts' forecasts. Two other Dutch publishers, Elsevier and Wolters Kluwer, are due to report today and both closed-higher — up 30 cents at F1 56.30 and F1 1.20 at F1 140.40.

PARIS ended up but off its highs after Wall Street's softer start. It was a dull session, with the mood still clouded by

345.29 in trading estimated at under FFribn, though higher than Monday's FF:518m.

Some privatised banks gained on persistent specula-tion of a restructuring in their core shareholdings, with Suez adding FFr4.50 to FFr2.70 and CCF 70 centimes to FFr137.60. MILAN was easier in quiet trading, with the Comit index off 3.79 at 523.83. Volume was reported to be better than Mon-

day's very thin L61bm.

One analyst described the recent decline as a "guided fall," with operators believing buyers would emerge at the 500 to 520 level. At the moment, investors are weighed down by westors are wegned cown by worries over rising interest rates and planned tax changes.

Banks eased after the decision by Banca Commerciale strains to withdraw its bid for Irving Bank of the US. BCI fell L70 to L2,455.

BRUSSELS lacked direction before allocates allocates allocates.

before closing slightly firmer as the market reacted ner-vously to news that the Government and the main banks had failed to agree the price of the new BFr100hn-plus bond issue. Yesterday's 1 pm dead-line was missed because the banks - worried by last Friday's rise in the discount rate

price the issue lower. The main feature was again Tractebel, the energy and engineering group. It rose BF190 to a new high of BF18,090 on turnover of 13,050 shares as specu-lation spread that a Belgian investor was building a stake.
However, analysts did not believe the buying was part of a takeover raid.

a DESCOVET TAIG.

ZURICH was cheered a little
by the steady dollar and Wall
Street's overnight advance and
most shares closed slightly
higher. The Crédit Suisse
index houseand a live of 12 to index, however, slipped 1.2 to
470.3 in very low volume.
Continued takeover speculation pushed Gewerbebank Baden SF150 higher, although it fell back later to close SF125 up at SFr3,725. Another recent focus of bid rumours, Solothur.

ner Handelsbank, dropped

SFr200 to SFr2,200. STOCKHOLM was boosted by optimism in US financial markets and strong investment fund buying to close higher in quiet trading. The Affars-Volvo B shares rose SKr4 to SKr314 before the company's interim results, which showed an 11 per cent drop in profits to SKr3.8bn. Volvo blamed the drop on the strike by white col-

Hong Kong shrugs off good news

Michael Marray explains the market's current nervous mood

Bargain-hunting assists in recovery

BARGAIN-HUNTING and insti-tutional activity helped equi-ties make a modest recovery yesterday, but weak volumes reflected a continued lack of enthusiasm and confidence in the market, writes Michiyo

moto in Tokyo. The Nikkei average opened higher on the strength of Wall Street's upturn on Monday, but eased during the day. However, it rebounded later to close up 132.55 at 27,511.65. The day's high was 27,514.55 and the low was 27,265.78. Volume at 451m shares was even lower than the 457m traded on Monday.

In London trading, Japanese shares later fell back, with the ISE/Nikkei index closing 4.28

Besides continuing fears in Tokyo of a possible rise in Japanese interest rates, several negative domestic factors – such as concern over a possible tightening of proposed capital gains tax rules — contributed to the market's dull and weak character. In addition, financial firms are absent, as they have little incentive to take new risks in advance of their

financial year in September.

The market's early morning strength followed the recovery

had been achieved in very thin volume and failed to sustain share prices in Tokyo for long However, investors stepped up their buying later in the day as

the feeling spread that prices had fallen far enough. The participation of institutional investors also helped.

Speculative issues continued to attract interest. Mitsubishing the price of the participation of the price of the off, which is rumoured to have saudi Arabian takeover ambitions, was the second most heavily traded issue with 22.6m sheres exchanged, rising Y70

Paper and printing compa-nies were another focus of interest, on news that the Emperor of Japan may not be well. If the Emperor dies, a considerable number of forms will have to be re-issued. In reported that high quality paper prices will go up, leading to hopes of better business results for paper companies Oji Paper gained Y50 to Y1,390 and Jujo Paper advanced Y22 to Y888, while Toppan Printing rose Y70 to Y1,920 and Dainippon Ink

moved up Y50 to Y2,610. Several pharmaceutical issues were bought on the grounds that they were low-priced. There were also expectations that business could

autumn, Yamanouchi Pharmaceutical advanced 790 to Y4,130 and Takeda Chemical increased Y70 to Y2,730.

Steels were generally weak.

Nippon Steel, the most heavily traded issue at 27,16m shares,

lost Y14 to Y671. Little enthusiasm was seen on the bond market in Tokyo amid interest rate uncertainties. The yield on the bench-mark 105th issue closed at 5.36 per cent in large-lot trading, up

0.01 of a point.

The Osaka equities market saw little activity as interest rate fears caused investors to hesitate. Volume was only moderately higher at 70.58m shares compared with 60.03m.

Roundup

THE MOOD improved slightly in the Asia Pacific region as Tokyo made up some ground and bargain-hunters emerged. Australia moved higher and Singapore was mixed. All man-kets were dogged by low vol-umes and Hong Kong and Taiwan both ended weaker. **AUSTRALIA** recovered well from early morning selling to end strongly after dealers responded to firmer trading in Tokyo. Blue chip industrials, bank and mining stocks were

rose 11.5 to 1,580.5, well up on the day's low of 1,563.3. Turn-

FAI Insurance was the main FAI insurance was the main feature of the market, rising 10 cents to A\$4.35 in response to the company's sale of its 19.9 per cent stake in Ariadne to Mr. Bruce. Judge's Magenta Holdings. Ariadne closed 2 cents better on 21 cents.

Mining stocks were boosted by optimism about commodity prices, with Comalco up 10, cents at A\$4.45 and Western Mining 8 cents at A\$5.80. West-ern Mining's annual figures are due tomorrow, and analysts are forecasting a huge

ump in profits. SINGAPORE was helped by the rise in Tokyo and a sense that a rebound from the long due. Prices ended mixed to higher, but losses in some of the index stocks left the Straits Times industrial index off 0.09

at 1,020.21. Turnover was a very low 38m shares compared with Monday's 48m as investors preferred to wait for Saturday's general election. The Malaysian markets are closed for a

local holiday today.

TAIWAN fell for the sixth session in a row, with the weighted index falling 116.37 to

The prevailing mood of he prevailing mood of uncertainty on the Hong Kong stock market has been well illustrated during the past few weeks, as a humper crop of healthy corporate results has coincided with a steady slide in the level of the Hang Seng Index.

Taking its cue from falls on other markets around the However, the willingness recently shown by investors to ignore good local news and fol-low sell-offs on other markets has focused attention for the moment upon more negative

predictions. "Everyone is worried about rights issues around the cor-ner," commented one analyst with an international brokerage, pointing in particular to the Hongkong Telecommunica-tions public share offer, which and investors returned after the Monday holiday to push it down another 25.28 yesterday. The closing level was 2,439.55, on continuing thin turnover of is still scheduled to proceed during 1988.

com, and by definition a shadow over the market," he

HK\$513.45m.

Before its recent journey southward, the index had climbed by mid-July to a peak for the year of 2,772.53, from a low of 2,223 back in February.

Opinions as to where it is headed next vary widely, and bullish forecasts are still to be Hongkong Telecom has the heaviest weighting of any stock making up the Hang Seng Index, and though the size of the offering may be smaller than the 11 per cent of

Turnover

the company originally planned, even half of this could prove a considerable burden for the market. As elsewhere around the world, rising inflation and interest rates are also major

worries in Hong Kong, with the local prime rate poised at 9.5 per cent ready to enter dou-ble digits, and forecasts of inflation running at 10 per cent by year end. On a more positive note, the

On a more positive note, the economy is tipped to grow by 6 or 7 per cent during 1988, suggesting that local companies will end the year with substantial profit increases to report. However, with the Hong Kong market continuing to look to New York and Tokyo for direction, healthy profit forecasts may still not be enough to tempt investors. enough to tempt investors back into the market.

Any rally is likely to attract a renewed bout of selling, and with the first anniversary of Black Monday drawing nearer, they remain nervous, in spite of the current attractive many stocks when judged on fundamentals.

COMPANY NOTICES

Books of the Company will be closed from 19th Suptember 1968 to 21st September 1986 both dates inclusive. RALLEN

HK\$518.45m.

REINSURANCE

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5th September 1988

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LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE

No 084793 of 1982

CHANCERY DIVISION MR REGISTRAR PIMM IN THE MATTER OF:

THE ROVER GROUP plc IN THE MATTER OF THE COMPANES ACT 1985

NOTICE IS HEREBY GIVEN that by an Order-delied the 19th day of August 1968 made in his above-matters the Court has directed a Meeting of the holders of she 12,788,310 leaved Ordinary Sharse of 559 each of the above-named The Rover Group plc "the Company" (being those isseed Ordinary Sharse which are not already owned by Bril-let Aerospace Public Limited Company) to be convened for the purpose of considering and, if thought \$1, approving (with or without modification) a Scheme of Arrangement pro-posed to be made between the Company and the holders of such Ordinary Sharses and that such Meeting will be held in the Churchill Auditorium, Queen Elizabeth if Condensence Centre, Broad Sanchary, Westelmater, Lon-don SW1 on Thursday, the 22nd day of September, 1968 at 11 ordsock in the fore-sed Shareholders are requested to allend.

Any person writing to attend the said Meeting our obtain copies of the said Scheme of Arrangement, faring of proxy and copies of the Statement required to be furnished pursuant to Section 425 of the above-mentioned Act at the registered office of the Company and at the office of the under-mentioned Solichors at the address, meetinged, below during usual business hours on any day (other than a Saturday, Sunday or a public holiday) prior to the day appointed for the said belowing.

The told Ordinary Shareholders may vote in person at the said Meeding or they may appoint another parson, whether a member of the Company or not, as their pracy, to attend and vote in their stead.

It is requested that forms appointing provides to lodged with the Registrars of the Contagny at P.O. Box 30, CSM House, Victoria, Street, Luion, Bedforshire LUI-123, Yichoria, Street, Luion, Bedforshire LUI-123, Tot less than 48 hours before the time appointed for the said Meeting but if forms are not so lodged they may be handed to the Chairman of the said Meeting.

By the said Order the Court has appointed Judget Graham Day or falling him Sir Robert Frederick Host or failing him Sir Robert Anthony Ctark in set as Chakman of the said

eting and has directed the Cheirma ort the results thereof to the Court.

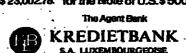
DATED 30th August 1986 Asherst Morris Criss Broadgate House

ART GALLERIES

U.S.\$ 37,500,000 Floating Rate Notes due 1995

in accordance with the terms and conditions of the Notes. notice is hereby given that for the interest period from August 30, 1988 to February 28, 1989, the Notes will carry an interest rate of 9,10 % per annum.

The interest payable on the relevant interest payment date, February 28, 1989 against coupon n°8 will be U.S.\$ 46,005,56 for each Note of U.S.\$ 1,000,000 and U.S.\$ 23,002,78 for the Note of U.S.\$ 500,000.



CONTRACTS & TENDERS

EREGLI IRON AND STEEL WORKS, INC TURKEY (ERDEMIR)

Announcement is hereby made for the following project included in the "CAPACITY IMPROVEMENT AND MODERNIZATION PLAN" in the integrated steel plant of Eregli Demir ve Celik Fabrikalari T.A.S. located at KDZ-Eregli, Turkey, the project objectives are improved yield, production, productivity, quality and costs.

PROJECT NAME - PRODUCTION CONTROL SYSTEM The project involves the complete mechanization of all aspects of steel order processing, from order entry at remote sales locations, through providing, scheduling, tracking, warehousing and shipping of product at the plant site. Included will be comprehensive metallurgical reference, quality, tracking and test reporting programs. The Specification includes new central site main frame computer headware and reminerates for more CPET and computer hardware and requirements for remote CRT and printer terminals. New communications equipment, cabling and software will be required to interface with existing systems and provide a base for process control links. Complete documentation on all applications software will be required along with in-depth

ents for the PRODUCTION CONTROL SYSTEM Specification may be obtained from the following address after depositing/forwarding 5.000.000 Turkish Lira to ERDEMIR Cashier's Office, KDZ-Eregli Turkey, with a reference

to the project name.

ERDEMIR, Vice President Purchasing
Porcina Purchasing Department (SA.17) KDZ-Ereeli. Torkey

A plant site visit will be conducted on September 20, 1988 to familiatize Bidders with existing ERDEMIR facilities. A pre-bid conference shall be conducted on November 8, 1988 to answer all questions concerning the specification. The Bid closing date is January 5, 1989 and no sealed Bids shall be taken into consideration if submitted after this date.

ERDEMIR reserves the right to place the order either partially or completely with any Bidder, or to cancel the tender completely. The receipt of quotations shall in no way be interpreted as binding

As to the source of Finance, either supplier's credit or any foreign currency credit to be provided by ERDEMIR shall be utilized.

6. The Bidder, or its technology supplier in case the Bidder is a Trading Company, must have had successful experience in the design, development, installation and start-up of PRODUCTION CONTROL SYSTEMS in a Steel Producing environment. CONTROL SYSTEMS in a Steel Producing environment. Sub-Suppliers must also be well experienced and established companies. Companies intending to participate in the international bidding associated with this project, must complete and return the "Questionnaire Formsts" attached to the tender documents in order to provide information concerning their experience by September 20, 1988.

pick up in advance of the mediparticularly popular. IFC EMERGING MARKETS INDICES

				PRIC		TOTAL RETURN					
Market	No. of stocks	July 1968	% Change % Change on on June Det 31 '87 (Dollar terms)		July % Change 9 1988 on June (Local currency to		% Change on Dec 31 '87 terms)	July 1968			
Latin America	(110)	133.4	-4.3	54.5				167.9	-3.9	62.5	
Argentina	(24)	222.3	28.0	62.8	12,244.8	52.1	362,3	244.6	29.3	72.5	
Brazil	(30)	71.8	-16.1	59.0	5,239.4	2.8	432.7	93.4	-15.1	70.4	
Chile	(25)	430.4	1.8	15.0	819.7	1.8	22,0	625.8	1.2	. 23.4	
Mexico	(31)	317.9	0.4	81.6	3,731.7	0.4	87.4	401.6	0.6	86.1	
Acia	(124)	308.6	15.1	87.2				371.5	15.2	91.9	
Korea	(42)	363.3	3.9	48.0	318.1	3.3	34.8	566.5	3.9	5 5.0	
Malaysia	(40)	113.6	-1.2	27.4	123.2	-0.5	34,7	128.1	-1.0	30.8	
Taiwan	(32)	845.7	28.7	149.6	612.2	27.6	150,2	919.9	28.7	152.3	
Thailand	(10)	259.8	1.8	55.7	243.1	2.2	57.0	411.4	1.8	62.5	

FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS		TUESI	DAY AUGUST	30 19 8 8		MON	DAY AUGUST	29 1988	ם	OLLAR INI	EX
Figures in parentheses	US Dollar	Day's Change	Pound Sterling	Local Currency	Gross Div.	US Dollar	Pound Sterling	Local Currency	1988	1988	Year ago
show number of stocks per grouping	index	%	Index	Index	Yield	Index	index	Index	High	Low	(approx)
Australia (87)	144.37	+0.6	126,62	119.26	3,80	143.46	126.26	118.28	152.31	91.16	163.61
Austria (16)		+0.2	75.88	84.01	2.49	86.36	76.01	83.93	98.18	83,72	97.11
Belgium (63)	111.18	1.3	97.51	109.26	4.62	112.68	99.17	108.98	139.89	99.14	132.90
Canada (128)	J 117,52	-0.2	103.06	105.39	3.25	117.77	103.65	105.72	128.91	107.06	137.71
Denmark (39)	121.02	+0.0	106.14	118.39	2.49	120.98	106.48	118.31	132,72	111.42	122.89
Finland (26)		-0.8	102.51	108.83	1.58	117.86	103.73	109.87	139.53	106.78	l
France (129)	90.24	+0.9	79.14	89.53	3.63	89.48	78.75	89.15	99.62	72.77	114.50
West Germany (190)	74.29	+1.3	65.16	72.09	2.57	73.32	64_53	71.33	80.79	67.78	104.93
Hong Kong (46)		-0.7	87.35	99.78	4.57	100.26	88.24	100.43	111.86	84,90	147.06
reland (18)		-14	112.24	125.80	3.77	129,82	114.26	<u>127.12</u>	144.25	104.60	143.30
taly (102)		-0.6	62.44	73.70	2,73	71.60	63.01	74.30	81.74	62,99	89.26
Japan (456)	158.65	+0.1	139.13	134.78	0.54	158.56	139.56	134.46	177,27	133.61	152,08
Apan (400),,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		-0.6	116.68	137.27	2.69	133.87	117.82	137,04	154.17	107.83	17L90
Malaysia (36)		+2.7	134.40	383.10	1.42	149.25	131.36	373.12	180.07	90.07	370.58
Mexico (1.3)	100 23	-0.7	87.90	96.43	4.75	100.96	88.86	96.63	110.66	95,23	129.44
letherland (38)	72.30	-24	63.41	63.28	5.91	74.06	65.18	62.72	84.05	64.42	124.69
lew Zealand (20)	_ =====	-ō.i	95.98	102.49	2.92	109.53	96.40	102.68	132.23	98.55	174.00
lorving (25)		+0.4	103.04	110.34	2.39	116.97	102.95	109.57	135.89	97,99	165.10
ingapore (26)		-2.8	98.21	86.66	4.97	115.20	101.40	87. 59	139.07	109.87	181.73
outh Africa (60)	111.99	-6.3	123.87	132.57	3.41	141.66	124.68	133.39	164.47	130.73	159.69
Spain (43)	141.24		98.18	107.01	2.67	111.45	98.09	106.57	125.50	96.92	127.30
weden (35)	111.94	+0.4	66.04	73.57	2.33	74.94	65.96	73.27	86.75.	74.82	108.39
	75. 3 0	+0.5	108.37	108.37	4.68	124.48	109.56	109.56	141.18	123.09	152.30 ·
Joited Kingdom (324)	123.56	0.7		107.30	3.71	107.20	94.35	107.20	112.47	99.19	132,14
ISA (580)	107.30	+0.1	94.10	107.30	3.72	107.20	74.33	107.20	112.77		
	200 62	-0.2	88.25	93.70	3.88	100.81	88.73	94.05	110.82	97.01	127.41
urope (1013)	100.62	+0.1	136.55	132.73	0.74	155.63	136.97	132.40	172.26	130.B3	152.24
acific Basin (671)	155.71		117.24	117.19	1.70	133.71	117.68	117.12	147.53	120.36	142.38
tero-Pacific (1684)	133.68	+0.0		107.20	3.68	107.76	94.84	107.13	113.29	99.78	132.44
lorth America (708)	107.83	+0.1	94-57		3.20	86.05	75.74	84.47	92.99	80.27	111.97
urope Ex. UK (689)	86.30	+0.3	.75.69	84.66	4.05	120.26	105.85	106.66	128.27	87.51	154.22
acific Ex. Japan (215)	120.31	+0.0	105.52	107.08		132.99	117.05	116.56	146.49	120.26	142.79
Vorid Ex. US (1885)	132,92	- +0.0	116.57	116.60	1.77	122.83	108.11	113.68	131.77	111万	137.29
Norld Ex. UK (2141)	122.92	+0.1	107.80	113.87	2.18		108.26	113.46	132.39	113.26	138.34
Norld Ex. So. Af. (2405)	123.02	+0.0	107.89	113.52	2.39	123.01		102.52	112.43	100.00	132.18
Vould Ev. 1988 (2000)	105.86	40.0	92.84	102,44	3.78	105.91	93.21	102,32	112.93	700'00	176.10

113.34 2.41 122.96 108.22

+0.0 107.84 ... 122.96 es: Dec 31, 1986 — 100; Finland: Dec 31, 1987 — <u>115,037 (NS S Isolet), 90,791 (Pound Starling) and 94,94 (Local)</u> , The Financial Times, Goldman, Sachs & Co., Wood Mackenzie & Co. Ltd.1987